



**USAID**  
FROM THE AMERICAN PEOPLE

# **GRENADA BUSINESS AND AGRICULTURE RECOVERY PROGRAM**

**FINAL REPORT AND IMPACT ASSESSMENT**



**March 22, 2006**

This publication was produced for review by the United States Agency for International Development. It was prepared by CARANA Corporation.

# CONTENTS

<b>1.0</b>	<b>List of Tables, Figures and Textboxes .....</b>	<b>4</b>
<b>2.0</b>	<b>Executive Summary .....</b>	<b>5</b>
<b>3.0</b>	<b>Introduction .....</b>	<b>6</b>
3.1	Results Achieved .....	6
3.2	Implementation .....	8
3.3	Financial Summary.....	8
<b>4.0</b>	<b>Small and Medium Enterprise (SME) Component .....</b>	<b>10</b>
4.1	Overview .....	10
4.2	Business Resource Center.....	10
4.2.1	Results to Date of the Business Resource Center.....	11
4.3	SME Grants Program.....	12
4.3.1	Catalyzed Re-Investment .....	12
4.3.2	Geographic Distribution.....	13
4.3.3	Productive Sector Distribution .....	14
4.3.4	Grant Funding Breakdown.....	14
4.3.5	Results to Date of the SME Grants Program.....	17
4.4	Lessons Learned.....	21
<b>5.0</b>	<b>Agriculture and Fisheries Component .....</b>	<b>22</b>
5.1	Overview .....	22
5.2	Agriculture .....	22
5.2.1	Importation and distribution of yam planting material .....	23
5.2.2	Importation and distribution of pineapple planting material.....	25
5.2.3	Importation and distribution of produce crates .....	26
5.2.4	Importation and distribution of anthurium plants.....	28
5.2.5	Importation and distribution of queen bees and beehives.....	29
5.2.6	Importation and distribution of shade houses .....	30
5.2.7	Propagation and distribution of fruit trees .....	32
5.2.8	Land Clearing for Cocoa and Nutmeg Farmers .....	33
5.2.9	Potential Results of the Agriculture Activities.....	33
5.3	Fisheries.....	34
5.3.1	Results to Date of the Fisheries Assistance.....	36
5.4	Lessons learned .....	36
<b>6.0</b>	<b>Vocational Skills Training Component .....</b>	<b>38</b>
6.1	Overview .....	38
6.1.1	Emergency Income .....	39
6.1.2	Personal Development .....	40
6.2	Tourism.....	40
6.2.1	Traditional Tourism Training.....	41
6.2.2	Community Tourism Training.....	43
6.2.3	Results to Date of Tourism Training .....	45
6.3	Construction.....	46

6.3.1	Collaboration with PADCO .....	48
6.3.2	Results to Date of Construction Training .....	49
6.4	Other Skills Training .....	50
6.4.1	Results to Date of Other Skills Training.....	52
6.5	Lessons Learned .....	52
<b>7.0</b>	<b>Conclusion.....</b>	<b>54</b>

**Annex A: CARANA December 2005 Final Monthly Report**

**Annex B: Geographic Distribution of GBAR Beneficiaries**

**Annex C: Inventory of Non-Expendable Property and Expendable Property Donated**

## 1.0 LIST OF TABLES, FIGURES AND TEXTBOXES

Table 1: Results Indicator Table .....	7
Table 2: GBAR Financial Summary .....	8
Table 3: Restored Employment by Sixty SMEs Surveyed .....	19
Table 4: Geographic Distribution of the Beneficiaries of Agriculture Initiatives .....	23
Table 5: Potential Future Revenue Streams from USAID-funded Agricultural Inputs.....	33
Table 6: Return on USAID Investment Over Two Years .....	34
Table 7: Distribution of Trainees by Parish .....	38
Table 8: Female Participation in Skills Training .....	39
Table 9: Impact of Skills Training on Monthly Income .....	50
Figure 1: Geographic Distribution of SME Grantees .....	13
Figure 2: Productive Sector Distribution of SME Grantees.....	14
Figure 3: Grant Funding Breakdown .....	14
Figure 4: Lessons Learned in Disaster Preparedness.....	20
Figure 5: Projected Revenue from Yam Crops .....	24
Figure 6: Potential Pineapple Acreage and Revenue.....	26
Figure 7: Projected Increase in Annual Revenue from Use of Crates (US\$).....	27
Figure 8: Expected Revenue from Cut Flower Sales* .....	29
Figure 9: Expected Revenue from Honey Production .....	30
Figure 10: Impact of Shadehouses on Historic Revenue and Production.....	31
Figure 11: Geographic Distribution of Fisherfolk Grant Recipients .....	35
Figure 12: Percentage of Graduates Trained in Various Construction Skills .....	47
Box 1: GBAR Expenditures in the Local Economy .....	9
Box 2: Special Interest Tourism Development Program .....	16
Box 3: Gouyave Fish Friday Festival – Economic & Environmental Impact Survey.....	45

## **2.0 EXECUTIVE SUMMARY**

Hurricane Ivan's passage in September 2004 was an unmitigated socio-economic disaster for Grenada. The small island nation's economic livelihood was literally swept away by the Category 3 hurricane. By all estimates, the disaster indicated an immediate and negative effect on every aspect of the economy.

In response to the disaster, the United States Agency for International Development (USAID) contracted CARANA Corporation to undertake the \$8 million Grenada Business and Agriculture Revitalization (GBAR) program. Over the next 15 months, through a mixture of grants and technical assistance, GBAR rebuilt a significant portion of Grenada's small and medium-sized business sector, restored employment opportunities, revitalized the agribusiness and fishing industries, and provided vocational skills training.

GBAR met or exceeded nearly all of the program's targets by responding to immediate needs, while also creating the foundation for long-term, sustainable opportunities to rebuild and restore Grenada's economy. This report outlines the efforts, assesses the impact and offers lessons learned for each of the program components highlighted below.

### **Small and Medium Enterprises**

In the private sector, GBAR recognized the need for both grants and technical assistance to restore Grenada's productive capacity. To provide technical assistance, GBAR established a Business Resource Center (BRC) within 12 weeks of project start-up. In accordance with the BRC's long-term sustainability plan, the technical assistance center remained operational after the close of the GBAR program. In the area of SME grants, the program achieved a 192% return on USAID's initial investment of \$2.0 million in grants as a result of the restored sales attributable to USAID's assistance, the local purchases made with grant funds and the multiplying effect of the local purchases.

### **Agriculture and Fisheries**

By selecting strategic interventions that emphasized immediate food security needs as well as longer-term productivity, export potential, and linkages to the tourism industry, GBAR had a catalytic effect on the direction of the agricultural sector, while also achieving dramatic results. A conservative estimate suggests that the cumulative potential revenues derived from the interventions will reach \$1.5 million between 2006 and 2007, which represents a nearly three-fold return on the initial USAID investment.

### **Vocational Skills Training**

The purpose of the Training Component was to provide new skills for future employment and increased earning potential, emergency income in return for attendance, overall human resource development to enhance Grenada's long-term competitiveness in key sectors, and institutional capacity building to training organizations to upgrade their services. The results of the Training Component included significantly increased female participation in the construction industry, an average increase of 61% in monthly income for those who found employment in the construction industry, the establishment of a much-anticipated "Fish Friday Festival," increased economic activity in the crafts sector, and the foundation for numerous community tourism initiatives throughout the island.

### 3.0 INTRODUCTION

Hurricane Ivan tore through Grenada in September 2004 severely incapacitating the business and agriculture sectors. Winds of up to 145 mph and the resulting flying debris, damaged infrastructure, vehicles and boats, and uprooted trees and crops. Simultaneously, the torrential downpours destroyed equipment and inventories, and flooded remaining crops and poultry. In urban centers, social havoc followed the natural disaster as looters wreaked further damage on local enterprises. With a 49-year lapse since the previous hurricane, Grenada found itself in need of immediate assistance.

USAID contracted CARANA Corporation to implement the Grenada Business and Agriculture Revitalization (GBAR) program as one element of the U.S. government's response to the devastation wrought by Hurricane Ivan. The project was designed to restore employment and revitalize businesses, farms and fishing by delivering assistance through the following three components:

- Grants and technical assistance to the agriculture and fisheries sectors;
- Grants and technical assistance to small and medium enterprises (SME); and
- Hospitality, construction, and other vocational skills training.

### 3.1 RESULTS ACHIEVED

The GBAR program met or exceeded nearly all of the targets within each program component, as highlighted below and outlined in the Results Indicator Table on page 5.

- Agriculture component – Exceeded nearly all targets related to agribusiness tourism firms, small holders and cocoa/nutmeg farmers. The target for “Fisherfolk receiving support” was a challenge to attain because of the reduced number of fisherfolk who returned to sea (further discussed in the Fisheries section).
- SME component – Met all targets. Disbursed all grant funds and exceeded the target for number of SMEs that received technical assistance. Business Resource Center was operational within 12 weeks of project implementation.
- Skills training component – Met all targets and exceeded the targets for “Number of people trained in hospitality skills” by 30%, “Number of people trained in construction who find employment” by 26%, and “Number of people trained in other skills” by 66%.

Results indicators for all three components were modified to reflect the reality of the local context as the impact of Hurricane Ivan became more evident. For example, the targets for the number of people trained increased because the number of unemployed people, and therefore demand for training courses, was greater than initially estimated. Under the SME Component, the target for “workout plan” assistance was reduced because many firms already had a clear understanding of the assistance they needed to restore productive capability. The targets for the Agriculture Component were changed to better reflect the program strategy of “common goods” grants such that the target for the number of small holders receiving assistance increased from 160 to 900. Tracking of job restoration and productivity in this sector was limited by the short timeframe of the project and significantly longer agricultural production cycles.

**Table 1: Results Indicator Table**

Indicators	Target	Achieved <sup>1</sup>
<b>SME Component</b>		
No. SMEs that receive technical assistance:		
As Part of the Grant Application process	200	269
For workout plans	20	17
Forming Part of Tourism Cluster Support	20	15
Forming Part of Craft Cluster Support	10	35
No. grants given to SMEs	200	193
Business Resource Center established and operating	2/8/05	BRC fully functional
<b>Agriculture and Fisheries Component</b>		
No. agribusiness-tourism firms receiving support through grants and technical assistance:	27	33
Individuals Receiving Shadehouses		16
Individuals Receiving Anthurium Plants		17
Number of small holders receiving support through grants and technical assistance:	900	820 <sup>2</sup>
Yam Planting Material	400	402
Pineapple Plants	200	271
Produce Crates	240	375
Bee Hives & Queen Bees	40	24
Fruit Tree Diversification – Pilot	20	20
Fruit Tree Diversification Part II - Pilot		10
Number of cocoa/nutmeg farmers receiving support through grants and technical assistance	400	387
Cocoa Farmers (land clearing)	200	186
Nutmeg Farmers (land clearing)	200	201
Number of fisher folk receiving support through grants & technical assistance:	155	100
Fisherfolk Receiving Grants and TA	55	66 + 2 <i>cooperatives</i>
Fish Crates	100	100*
<b>Vocational Skills Training Component</b>		
No. people trained in Tourism related services	1,000 - 60% Female	1,302 trained - 69% Female
No. people trained in construction skills including boat repair (disaggregated by trade and gender)	500 - 50% Female	509 trained - 67% Female
No. people trained in construction skills who find employment	250 - 35% Female	316 employed (some employed in other sectors) - 59% female
No. people trained in other skill areas, including poultry raising, information technology etc.	300 - 50% Female	499 trained - 79% Female

<sup>1</sup> The totals in this table may differ from those presented in the final monthly report (Annex A) because they have been discounted to eliminate double counting of beneficiaries who benefited from multiple activities.

<sup>2</sup> The total of small holder beneficiaries was derived by discounting the number of beneficiaries of the six sub-activities by 42% to eliminate duplicates and by an additional 5% to eliminate larger farmers.

### 3.2 IMPLEMENTATION

For the purposes of implementation, GBAR was divided into three technical components—Vocational Skills Training, SME Assistance, Agriculture and Fisheries Assistance—and two administrative components—Grants Processing and Accounting.

The flexibility of the project's organizational structure enabled GBAR to shift human resource capacity to deliver consistent and ongoing results. Throughout project implementation, the staff of 26 shifted duties as a result of changing needs within the project cycle. At the inception of GBAR the largest group within the team was involved in conducting initial interviews with firms and accepting applications for SME assistance. At the close of the project the emphasis had shifted to grant disbursements and the largest team was charged with processing claims for grants under all three technical components.

Coupled with the organizational structure, CARANA's operational systems were the driving force behind a flexible strategy able to deliver rapid results. The grants management system, which systematized the grant application process for each Component and centralized all approvals under one Committee, enabled the expedient and efficient disbursement of grant funds. Simultaneously, the monitoring and evaluation system, established at the start of the program, allowed for interim analyses that informed strategic decisions throughout the life of the project.

Partnerships with government and para-statal agencies, local and international NGO's, the US Peace Corps, local training institutions and local banks also facilitated delivery of all of the project Components. The Training and Agriculture Components particularly benefited from these relationships as discussed further in their respective sections.

### 3.3 FINANCIAL SUMMARY

Table 1 below provides a financial summary of project expenditures. Actual grant disbursements varied from the original budget as the needs per Component changed throughout the life of the project. Most notably, grant funds were shifted from the Vocational Skills Training Component to the Agriculture Component. With the adjustments it was possible to exceed targets and achieve the greatest economic and social impact for both Components.

**Table 2: GBAR Financial Summary**

Activity	Labor	Other Direct Costs	Grants	Indirect Costs	Total
Vocational Skills Training	\$976,240	\$387,273	\$1,255,770	\$79,144	<b>\$2,698,427</b>
SME Technical Assistance	\$681,656	\$253,909	\$689	\$35,561	<b>\$971,815</b>
SME Grants			2,038,200	\$39,273	<b>\$2,077,473</b>
Agribusiness Tourism	\$392,136	\$115,260	\$197,264	\$23,062	<b>\$727,722</b>
Small Farmer Support	\$166,321	\$79,807	\$399,323	\$16,897	<b>\$662,348</b>
Revitalization of Nutmeg/Cocoa	\$239,127	\$109,602	\$101,277	\$19,577	<b>\$469,583</b>
Revitalization of Fishing Sector	\$155,883	\$80,670	\$155,299	\$17,180	<b>\$409,032</b>
<b>Grand Total</b>	<b>\$2,611,363</b>	<b>\$1,026,521</b>	<b>\$4,147,822</b>	<b>\$230,694</b>	<b>\$8,016,400</b>



In addition to the grant monies disbursed and spent locally, GBAR had a significant economic impact via direct expenditures in the local economy related to project implementation. By project end, nearly \$1.1 million (25% of the overall budget) was spent in the areas of facilities, project office operations, salaries and benefits, and room and board for expatriate and short-term staff (see Box 1 for examples of expenditures under each category). Assuming a 1.3 multiplier, the funds spent on the island transform into \$1.4 million of economic activity catalyzed by administrative and personal spending by the project and its staff.

**Box 1: GBAR Expenditures in the Local Economy**

<i>GBAR Office Expenditures</i>	
<u>Facilities</u> \$102,696 <ul style="list-style-type: none"> <li>– Rent</li> <li>– Furniture and equipment</li> <li>– Renovation and maintenance</li> <li>– Utilities</li> </ul>	<u>Project Office Operations</u> \$134,407 <ul style="list-style-type: none"> <li>– Office Supplies</li> <li>– Transportation and travel allowances</li> <li>– Communications</li> </ul>
<u>Salaries and Fringe Benefits</u> \$568,403 <ul style="list-style-type: none"> <li>– Local employee salaries and benefits</li> <li>– St. George’s University intern stipends</li> <li>– Allowances for expatriate staff and consultants</li> </ul>	<u>Room and Board</u> \$216,803 <ul style="list-style-type: none"> <li>– Accommodations for expatriate staff and consultants</li> </ul>

## **4.0 SMALL AND MEDIUM ENTERPRISE (SME) COMPONENT**

### **4.1 OVERVIEW**

Hurricane Ivan impaired Grenada's business sector by wrecking infrastructure, equipment, inventories and archives. The subsequent looting caused further damage and brought all commerce on the island to a standstill. Most businesses were either not insured or under insured against hurricanes and only a handful of businesses were covered for consequential loss. The result was widespread unemployment as businesses did not have the resources to continue paying their employees.

Prior to the hurricane, most firms and entrepreneurs in the agri-business, manufacturing, tourism, commerce and service sectors were already in need of technical assistance in strategy development, business and financial management, production systems, standards development, supply chain management and marketing. Post hurricane, the need for technical assistance was more acute, albeit with a somewhat different focus—restoring productive capacity, and responding to new market realities.

GBAR recognized that Grenada's private sector needed both grant and technical assistance to restore their productive capacity. In November, GBAR established an Advisory Group for business assistance and small and medium enterprise composed of representatives from the Grenada Chamber of Industry and Commerce (GCIC), Grenada Hotel and Tourism Association (GHTA), Grenada Industrial Development Corporation (GIDC), Ministry of Finance, Ministry of Tourism, Board of Tourism and financial institutions. The input from the Advisory Group ensured that GBAR targeted the key needs of the private sector.

GBAR responded to the needs of Grenada's private sector with the following initiatives:

- Establishment of a Business Resource Center to provide immediate and strategic technical assistance; and
- Disbursement of \$2,038,200 in SME grants (100% of grant approved budget).

### **4.2 BUSINESS RESOURCE CENTER**

After the hurricane, many enterprises complained about difficulties communicating with customers, finding input suppliers, obtaining market information, and developing promotional materials. A number of firms noted that a business center could be an important development resource, not only in the immediate term, but in the long term as well. The GIDC, which had been working actively towards the creation of a technical assistance center, submitted a grant proposal to GBAR for the establishment of such a facility. GBAR proceeded to fund the Business Resource Center to serve as its delivery mechanism for technical assistance.

After some negotiations, GBAR established the Business Resource Center in February 2005 as a public-private partnership overseen by a board with representatives from both sectors and managed on a daily basis by staff hired through GBAR. The Center was initially staffed with a non-Grenadian Manager with extensive SME experience, a local counterpart, also with a background in SME development, two Business Development Officers, one with credentials in business organization and one in accounting, and an administrative officer. After six months of

operation and extensive exercises to build local capacity, the non-Grenadian Manager transferred control of Center to the local counterpart.

In response to SMEs' inability to communicate with suppliers and buyers and conduct market research in the aftermath of the hurricane, the BRC was outfitted with six computer workstations available to business owners. The Center was also equipped with a paper-based and an electronic library of business-related software and publications.

The Center staff was fully engaged from the outset in providing assistance to businesses seeking assistance under GBAR's SME Grants Program. By mid-year as the grant application process passed its peak the Center turned its attention to more in-depth technical assistance, primarily to businesses identified through the grants program. Links were also established with the St. Georges University Business School, which culminated in six students interning with the BRC during their summer break. The BRC also formed relationships with Peace Corps Volunteers on the island and in the latter half of the year, BRC staff took part in briefing the new intake of Volunteers on the SME sector and its needs.

The BRC engaged short-term consultants, contracted through GBAR, to deliver targeted technical assistance to SMEs. For a three-month period, a Marketing Specialist worked closely with BRC officers to assist export-oriented clients with market intelligence and the development of individual marketing plans. Via short-term trips throughout five months, two tourism experts designed and implemented a Tourism Initiative described in the Textbox below. The BRC also hosted a number of workshops on disaster recovery and financial management aimed at assisting SMEs to fully recover from the hurricane.

In August and November 2005, BRC management took advantage of interviews conducted during two impact assessments of the SME grants program to learn more about the key technical need of SMEs. During the final assessment, which is described in the section below, 60 business owners were interviewed. Of the 52 business owners who demonstrated an interest in technical assistance, the majority cited marketing, accounting, and business plan development as the technical areas where they are most in need of assistance. Web site development and staff training were also cited by a fourth of the business owners. The information provided by the business owners was utilized during the development of the sustainability plan for the BRC beyond the life of the GBAR program. The BRC was handed over to the GIDC on December 31<sup>st</sup>, 2005 as a going concern.

#### **4.2.1 Results to Date of the Business Resource Center**

By the end of 2005, the BRC's achievements included the following:

- Processed 114 GBAR SME grant applications
- Completed 7 business plans for SME clients
- Coordinated the first of its kind Grenada Craft Fair with approximately 30 craft producers participating (described in the "Traditional Tourism Training" section)
- Conducted a Needs Assessment of 35 manufacturers to benchmark services required from the BRC

- Offered ongoing business support services in the form of office services and computer access to approximately 60 SME's to enable them to keep their businesses functioning following the destruction of their own facilities by the Hurricane
- Conducted 2 workshops, one on Change Management, introducing SMEs to the opportunities presented by the Hurricane and one on Financial Management

### **4.3 SME GRANTS PROGRAM**

From the outset of the program, it was evident that technical assistance alone would be insufficient for Grenadian SMEs to restore their productive capacity. In particular, firms' inadequate financial resources would be a significant constraint as they attempted to rehabilitate infrastructure, repair or replace equipment, replenish damaged or looted stock and other necessary investments. While some firms would be able gain access to credit, financing gaps would remain. Responding to this need, GBAR designed and implemented a grants program that helped firms from all sectors of the economy restore productive capacity and implement post-Ivan workout plans.

In arriving at the target group of SMEs the only data available was the National Insurance Scheme (NIS) Employer Database. This was culled to eliminate non-business employers, and the SME sector was segmented based on number of employees. Firms with between 5 and 24 employees were designated as small and between 25 and 75 employees as medium. This resulted in an overall SME group of approximately 300 firms and a final target group of approximately 200 firms. Maximum amounts for individual grants were set at \$7,407 (EC\$20,000) for small firms and US\$20,000 (EC\$54,000) for medium firms. Grants could be used for the repair of business premises and the repair or replacement of furniture, fixtures and equipment. Disbursement of grants was on a reimbursement basis for approved business revitalization activities, and where appropriate, direct payments were made to suppliers. Evidence was required of the hurricane damage and pre- and post-disbursement site visits were made to all grantees.

In addition to the above, provision was made for up to 4 anchor firms to benefit from grants of up to \$100,000. Anchor firms were selected because of their ability to impact the livelihoods of dozens and sometimes hundreds of stakeholders beyond their direct employees. Selected anchor firms were a central point within their industry clusters and had an interest in improving the quality of their supply chains as well as contributing to the economic and social development of their surrounding communities.

At the end of the program, the average amount of grants in each category were:

Small	–	\$6,300
Medium	–	\$15,344
Anchor	–	\$81,156

#### **4.3.1 Catalyzed Re-Investment**

In both the technical assistance and grant activities, GBAR placed a priority on enterprises that were viable prior to the hurricane to increase the chance of immediate and long-term success and economic impact. The cost-share component ensured that the SMEs being assisted had enough

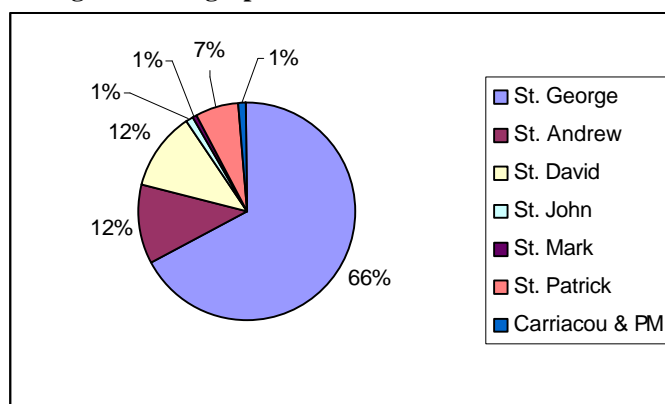
liquidity to finance a portion of their own reconstruction. The cost-share requirement for small businesses was 30% of the total cost of the revitalization activity. The cost-share requirement for small businesses was capped at \$3,174 to ensure that the program's requirements did not exceed the financial limitations of even the most committed firms. The cost-share requirement for medium-sized businesses was 50% of the total cost of the revitalization activity with a cap of \$20,000. In instances where the grant amount was sufficient to restore the business, then the cost-share component encouraged firms to invest funds to not only repair but to improve their business.

The total cost-share amount for the 193 firms was \$4.7 million. The small enterprises contributed about \$4,200 on average while the medium enterprises contributed \$40,600 on average.<sup>3</sup>

#### 4.3.2 Geographic Distribution

Widespread geographical coverage was an aim of all GBAR activities. Initially it was especially important to raise awareness of revitalization activities in parishes other than St. George's as their distance from the hub of government and donor activities and their lack of electricity may have limited their participation in some programs. GBAR used informational flyers, word of mouth, radio programs and newspaper advertising to attract business owners from outside of St. George's.

**Figure 1: Geographic Distribution of SME Grantees**

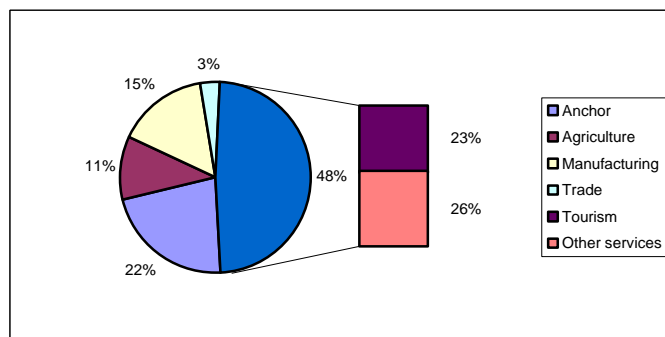


By the end of the project, the geographic distribution of SME grant recipients coincided with both the actual geographic distribution of SMEs in Grenada (as measured by the National Insurance Scheme) and the amount of need due to the hurricane's impact. St. George, St. David and St. Andrew are the parishes with the most SMEs and were also the parishes that were most severely affected by the hurricane. In accordance, they received 90% of the grants awarded as shown in Figure 1.

<sup>3</sup> The averages for small and medium-sized firms exclude one and three hotels, respectively. The cost shares for the four hotels *greatly* exceeded that of the other firms in their category. For small firms the outlier was a hotel with a cost share of \$161,866 and for medium-sized firms the three hotels each had cost shares over \$450,000.

### 4.3.3 Productive Sector Distribution

**Figure 2: Productive Sector Distribution of SME Grantees**

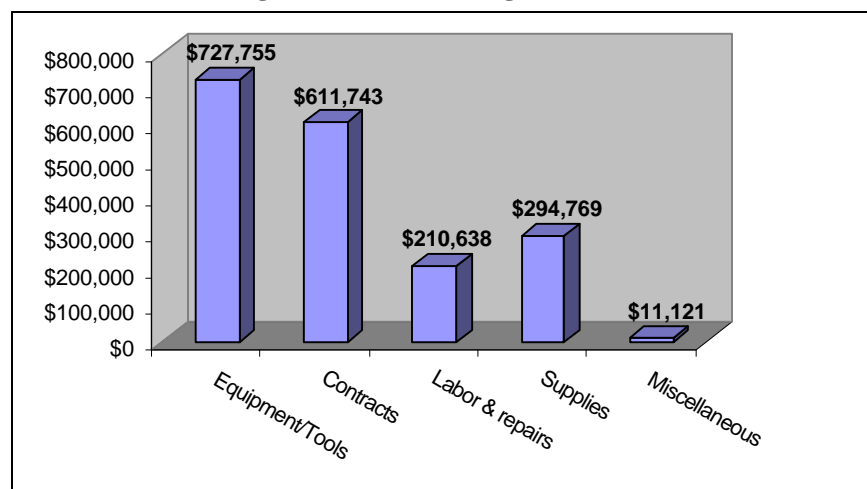


As shown above, firms in the services sector received almost half of the SME grants, which were nearly evenly split between tourism and other services such as mechanical, electrical and electronic repairs, construction and professional and medical services. Tourism was recognized as being the main driver for rapid recovery and therefore the restoration of capacity for service firms was an essential component of the recovery effort. The second largest productive sector to receive grant funds was agriculture. Agriculture SMEs received 11% of the grant funds. In addition, approximately 75% of the amount received by anchor firms also benefited the agriculture sector because four of the large firms were in the agri-tourism and agri-processing industries. The agricultural grants to SMEs were awarded mainly to small farms of up to about five acres engaged primarily in the production of short-term crops. These small producers represent an important aspect of future food security for Grenada.

### 4.3.4 Grant Funding Breakdown

GBAR tracked the use of grant funds to gain insight for future post-hurricane development projects. Analyzing grant-funded expenditures provides insight for future project design and relief supply decisions by demonstrating what aspects of a business were most affected and what resources were in highest demand.

**Figure 3: Grant Funding Breakdown**



The GBAR Grants Processing Team categorized each disbursement made on an SME grant by type of purchase. They were divided into the following five categories: (1) Equipment/Tools – purchases of new or used equipment to replace pieces that were irreparably damaged; (2) Contracts – hiring a contractor to provide the labor and materials needed to reconstruct all or part of a damaged business; (3) Labor and Repairs – hiring individuals to reconstruct a damaged business (but not provide the materials) or repair damaged equipment; (4) Supplies – purchasing supplies needed to undertake repairs; and (4) Miscellaneous – purchasing any additional goods that do not fall under the category of equipment or supplies.

Figure 3 shows the breakdown in use of funds. The largest expenditures were in replacement of equipment or tools lost during Ivan (\$727,755) and in hiring local contractors (\$611,743). Since building repairs required both hiring contractors and purchasing supplies, as a whole, this area accounted for the majority of grant-funded expenses. Additionally, the category “Labor and Repairs” may also include payments to day laborers; hence the total spent on reconstruction may be even greater. Clearly, Ivan had the most deleterious effect on the business premises themselves.

## Box 2: Special Interest Tourism Development Program

### Tourism Initiative

As with many of the other Caribbean islands, Grenada has beautiful white sand beaches, clear turquoise waters and magnificent sea life and coral reefs. However, Grenada is unique because of its diverse array of geographic attributes including mountainous terrain, crater lakes, rivers, waterfalls, and rain forests. There are also many man-made highlights, including gardens, historic spice, sugar cane and banana plantations, rum distilleries, nutmeg processing stations, Carib Indian archaeological sites, colonial heritage sites, historic forts, festivals, local cuisine and Calypso music.

The natural and physical tourism assets of Grenada are also complemented by the presence of a pool of 'resource experts'. These are Grenadians who possess in-depth knowledge about Grenada's culture, heritage, horticulture and agriculture, and who are interested in sharing their knowledge of Grenada's history and culture with visitors.

These diverse tourism assets combine to provide Grenada with the unique opportunity to pursue the development of special interest tourism, a marked departure from the traditional beach resort and dive tourism that is featured by most Caribbean islands. Recognizing that pursuing niche tourism markets could differentiate Grenada from the traditional resort tourism destinations, USAID-CARANA decided to introduce a special interest tourism development program to the GBAR project.

The primary goal of the initiative was to generate new business quickly for Grenada's export ready tourism small and medium sized enterprises (SMEs).

Working closely with the Ministry of Tourism, Board of Tourism and local tour operators GBAR's tourism consultants pursued the following steps:

- **Export ready product assessment.** Undertaken from the perspective of a specialty tour operator's "lens," focused on identifying those products that have the potential to be immediately sold in the marketplace to the niche markets. Identified clusters of product experiences that can be combined into themed multi-day tour itineraries to lure new tourism business. These themes were, garden tourism, heritage and nature tourism and soft adventure.
- **Resource experts identification.** Identification of "resource experts", local people who have unique knowledge on topics of interest to learning and experiential travelers, and comprise a pool of talent that can be trained to become expert guides.
- **Special interest tour operator matching.** Identification of tour operators whose programs and clients represent the most promising match for Grenada. Introduction of destination to operators through personal contact supported by descriptive materials and sample themed itineraries.
- **Product testing tour.** Twelve special interest tour operators pre-qualified as having good potential for short term new business generation were brought to Grenada to participate in a product testing tour which highlighted export ready products and breadth and depth of available special interest tourism. Tour operators committed to providing recommendations on the specialty tourism product to Grenada's tourism sector as part of the product testing tour.
- **Marketing program.** Initiative concluded with recommendations towards the development of a comprehensive marketing program for special interest tourism encompassing special interest tour operators and travel trade, direct marketing to these niche markets, and web marketing.



#### **4.3.5 Results to Date of the SME Grants Program**

By all indications, Grenada's business sector has taken huge strides toward complete recovery from Hurricane Ivan. The businesses that benefited from USAID grants and technical assistance credit that assistance with significantly contributing to their recovery. For many businesses, the assistance allowed them to reopen sooner than they would have otherwise and for some it allowed them to upgrade their establishments thereby increasing their competitiveness. Overall, USAID assistance financed purchases and repairs that were needed to operate in the short-term and beneficial upgrades that will benefit the Grenadian economy in the long-term.



The owner of an apparel manufacturing company displays the products he produced after using a GBAR grant to replace looted equipment.

An impact survey was conducted which involved interviews of 60 SMEs (approximately 1/3<sup>rd</sup> of those assisted) to investigate the impact of the assistance on the businesses' recovery. The sample set was weighted to reflect the proportions and distribution by productive sector, parish, size of firm, and grant approval date of the complete set of grantees. Therefore, the results of the survey are representative of the outcomes for the whole set of SME grantees.

#### ***Economic Impact***

The results of the survey demonstrate that the economic impact of USAID's grant assistance to SMEs was widespread beyond the SMEs themselves. The benefits begin with the impact to the SMEs and extend to the vendors and laborers who provided inputs for the revitalization activities and ultimately to the other firms in their supply chain.

The largest economic impact of the grants program was the restored SME sales attributable to USAID assistance. The grant assistance allowed SMEs to reopen sooner or open at an increased capacity than they would have on their own. The Impact Survey indicates that 48% of SMEs

reopened at least six months sooner than they would have if they had to finance all repairs and purchases themselves. As a result, the majority of the business owners attribute a percentage of their sales through the time of the survey on the grant assistance. Of the \$1.1 million in sales reported by the SMEs in the sample set, \$729,956 was attributed to the recovery efforts financed by the grants program. Assuming that all 190 assisted SMEs benefited similarly from the grants then approximately \$2.28 million in recovered sales throughout 2005 is attributable to USAID assistance.

The second largest economic impact of the SME Grants Program derives from the local expenditures necessary to undertake the SMEs' revitalization activities and the multiplier effect of these expenditures downstream. Of the \$1,856,026 disbursed in SME grants at the time of this analysis in late-December, 68% was spent on direct payment to or reimbursement for purchases from local vendors and service providers. Therefore, a total of \$1,269,608 was invested in the Grenadian economy, stimulating further recovery downstream. Of this, \$611,743 was spent on local contractors thereby directly impacting their livelihoods and those of their families. Assuming a 1.3 multiplier, USAID's initial assistance results in \$1,650,490 of catalyzed economic activity.

\$2.28 million Approximate restored sales attributable to USAID

\$1.65 million In economic activity from local purchases (using 1.3 multiplier)

---

*\$3.9 million Total Economic Activity resulting from USAID assistance*

*Return on USAID Investment of \$2,038,200 =  $\frac{\$3.9 \text{ million}}{\$2.0 \text{ million}} = 192\%$*

### ***Restored Productive Capability: Sales and Employment***

The primary purpose of the SME Grants Program was to help reestablish the productive capability of SMEs by restoring the SMEs' sales and employment base to their pre-Ivan levels. For the purposes of the Impact Survey, business owners were asked to estimate the recovery in these two areas, which they owed to USAID assistance. It was at times difficult to estimate exact figures for sales and nearly impossible for number of employees. Business owners expressed that precise impact was difficult to calculate but that the contribution of the grants was very significant. The section on Economic Impact above. Below is a snapshot of the overall restoration in sales and employment—to which GBAR contributed—experienced by the representative sample of SMEs.

**Sales.** The comparison of the sample set's average monthly sales since the completion of their grant disbursements to their pre-Ivan baseline figures reveals that 81% of the total sales had returned to their pre-Ivan levels. However, slightly less than half of the individual firms had experienced an increase in average monthly sales. In other words, among the firms that returned to their pre-Ivan sales levels, there were a number that greatly exceeded these levels thereby raising the average for the entire set of firms. The total average monthly sales for the sample set were \$1,105,241 compared to \$1,357,093 before Hurricane Ivan.



Before and after pictures of a water taxi. The repairs were funded through a GBAR grant.

The demand after the hurricane for the product or services offered by each business greatly impacted the speed of their recovery and therefore the average sales reported during the Impact Survey. There were some businesses that experienced a boom as a result of Ivan such as construction and auto body repair and there were others that experienced a drop in demand because of the hurricane such as tourism and luxury goods. In between were those businesses, which provided basic necessities or services such as retail food businesses, for which demand remained stable. Farming occupies a separate category because although they experienced high demand post-Ivan, their recovery was based on plant cycles that limited their ability to profit. As expected according to the previous demand analysis, the majority of businesses included in the Impact Survey that remained closed or whose sales remained below pre-Ivan levels were in the tourism industry while the majority of businesses that experienced increased sales were in the high-demand service sectors. Average monthly sales do not capture the buoyancy of the businesses, since many businesses experienced a gradual increase in their sales. At the time of the survey, all but two of the business owners expressed optimism that their sales would rebound within the next year.

**Employment.** The firms included in the Impact Survey experienced a near total recovery in their full-time employment base and a partial recovery in their part-time employment base. The average restored employment from before the hurricane to November 2005 is 91%. Table 3 below demonstrates the recovery experienced by the SMEs surveyed.

**Table 3: Restored Employment by Sixty SMEs Surveyed**

	Before Ivan	After Grant	Restored Employment
Full-time	761	749	98%
Part-time	143	79	55%
<b>Total</b>	<b>904</b>	<b>828</b>	<b>91%</b>

### ***Disaster Mitigation***

During the Impact Survey, GBAR asked business owners what they would do differently to protect their businesses in the event of another hurricane. These lessons learned are important to donors but especially to the Government of Grenada as they process the impact of their disaster preparedness educational campaigns over the past 14 months.

One noteworthy outcome is the impact, which disaster mitigation measures have had on one of the anchor firms, South Coast Holdings Ltd, which operates the boatyard, Grenada Marine, at St. David's Harbour. Prior to Hurricane Ivan, marine insurance was obtainable during the hurricane season, only for boats located south of 12 degrees North, i.e. South of St. George's, Grenada. Following Ivan and the changing climate patterns it represented, marine insurers reviewed their risk management practices and now base the insurability of boats during the hurricane season on the measures which individual yards have in place to secure boats during hurricanes. With USAID assistance, Grenada Marine, installed tie down points and tie down straps for every boat in its yard. As a result they weathered Hurricane Emily in July 2005 without damages to any boats. They are now one of the very few boatyards in the Caribbean where boats can obtain insurance coverage during the hurricane season. A major competitive advantage.

**Figure 4: Lessons Learned in Disaster Preparedness**

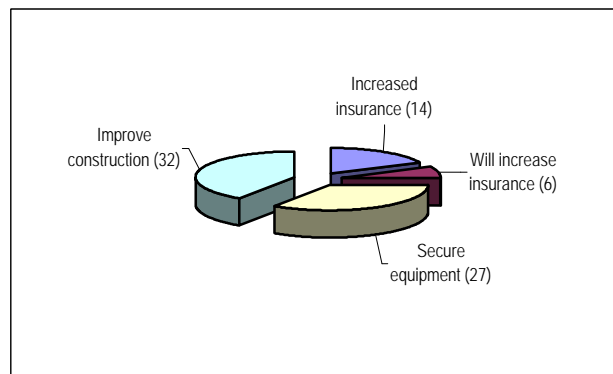


Figure 4 highlights the measures most often cited by the sixty business owners interviewed during the Impact Survey. A change in attitude was evident throughout the evaluation interviews as business owners described not only the changes they plan to implement but also the precautions already taken. Of the 20 business owners who believed that increasing insurance coverage was essential, fourteen already made the changes to their policies. Other business owners have also already implemented their precautionary measures. For example, First Impressions Ltd., a boat tour operator, built a concrete locker to store equipment, which served them well during Hurricane Emily. The manager of Grenada School Supplies is implementing a hurricane preparedness plan that assigns tasks to each staff person in the event of a hurricane warning. Among the duties are lifting all books off the floor, covering the supplies and office equipment and safeguarding the windows. Fifty-nine of the 60 owners expressed that they will react differently to any future hurricanes thereby decreasing the vulnerability of their businesses.



Farmers who used grant funds to replace lost or damaged irrigation systems stated that they would dismantle and store their irrigation systems in the event of a future hurricane warning.

#### **4.4 LESSONS LEARNED**

Although the grant application process was designed to be as user friendly as possible, while still capturing essential information, the majority of the SME's proved to be incapable of completing the applications without extensive assistance and continuous follow up from GBAR staff. The process was further hindered by the fact that SMEs often use informal business processes that made it very difficult to gather hard data.

In the immediate post Hurricane environment, humanitarian aid took priority in terms of the depleted and overstretched resources of the ports and airport. Consequently it took many months before anything approaching normal supply chains could be reestablished and goods and services required by the grantees became available. This meant that many approved grants could not be disbursed until the final few months of the project because the items were simply not available. Given these conditions the time frame of one year to complete all activities was an ongoing challenge.

SMEs in the post-hurricane environment often lacked the absorptive capacity necessary to benefit from the grants program. Many of the SMEs had exhausted their own resources and were not in a position to expend the funds to carry out the activities approved in the grant and then seek reimbursement. In order to facilitate assistance to these SMEs, arrangements had to be set up for direct payments to vendors both locally and overseas. As with the approval process, Grant Processing Officers needed to be very pro-active in pursuing applicants to submit the required data for disbursement of the grants.



## **5.0 AGRICULTURE AND FISHERIES COMPONENT**

### **5.1 OVERVIEW**

Hurricane Ivan devastated Grenada's agriculture sector, destroying 50% or more of crops and causing significant losses and damage in the fisheries sub-sector. The Hurricane had a direct impact on Grenada's food security, as short crop and fruit crop producers (many who were already vulnerable) suffered significant product loss and damages. The immense damage to the traditional cash crops of nutmeg and cocoa also significantly impacted Grenada's export earnings. Rural communities required immediate assistance, not only to increase food security and supply local markets, but also to restore the livelihoods of smallholder producers and fisherfolk. At the same time, efforts to expand production of goods with export or tourism potential would help farmers supplement incomes and continue agricultural livelihoods despite a limited local market.

In the fisheries sector, Hurricane Ivan caused tremendous, often irreparable damage, including water damage to engines; gear and equipment lost at sea; and boats sunk or smashed by falling and flying objects or bashed against the shore. The loss of communication equipment critical for safety and communication with other fisherfolk and coast guard was a particular concern commercial fisherfolk who operate far offshore. The adverse impact was not limited to those boats that were in the water because even boats that had been brought to land suffered damage from falling trees.

In keeping with the "Build Back Better" theme of the Government of Grenada and the Agency for Reconstruction and Development (ARD), the GBAR Agriculture and Fisheries Component sought to implement activities that would not only rehabilitate the damaged sub-sectors, but do so in such a way that would make future agricultural production and fishing activities safer and more efficient allowing farmers to generate higher levels of income from their rehabilitated activities.

### **5.2 AGRICULTURE**

GBAR management held consultations with representatives from the Ministry of Agriculture, the Marketing and National Import Board (MNIB), sector organizations and other stakeholders to determine the best course of action to meet the needs of farmers, fisherfolk and other agricultural entrepreneurs. Priority was given to assistance in the form of "common-goods grants" that benefited numerous farmers, agriculture enterprises, or fisher folk at a time rather than individual small-holders. GBAR partnered with the MNIB, Grenada Flower Growers Association, Grenada Beekeepers Association, Grenada Cocoa Association, and Grenada Cooperative Nutmeg Association (GCNA) to implement the following activities:

- 41,000 lbs of yam planting material distributed
- 7,000 anthurium plants distributed
- 375,000 pineapple plants distributed
- 500 beehives and 500 queen bees distributed
- 16 shadehouses distributed
- 5000 produce crates distributed

- 57,000 fruit trees distributed
- 500 acres of nutmeg and cocoa lands cleared for replanting

Farmers across Grenada benefited from GBAR's diverse array of agriculture initiatives. As shown in Table 4, farmers from each parish received some form of assistance, although accordingly, beneficiaries were concentrated in those parishes that were most affected by the hurricane. With the help of representatives from GBAR's implementing partners and especially extension officers from the MNIB it was possible to identify those farmers who were committed to farming prior to the hurricane and who remained committed, in many instances wishing to expand their operations.

**Table 4: Geographic Distribution of the Beneficiaries of Agriculture Initiatives**

<b>Parish</b>	<b>Beneficiaries*</b>
St. Andrew	29%
St. David	15%
St. George	26%
St. John	13%
St. Mark	6%
St. Patrick	11%
Carriacou & Petite Martinique	<0%
<i>Discounting duplicates (42%)</i>	<b>882</b>

Considering the size of Grenada's agriculture sector, it is not surprising that many of the farmers benefited from multiple initiatives. A review of the final list of beneficiaries revealed that 42% of the beneficiaries had also received other forms of USAID-funded assistance. Therefore, we estimate that a total of 882 farmers benefited from at least one of the agricultural initiatives. Since 95% of farmers across Grenada are smallholders with less than ten acres, we estimate that of the 882 beneficiaries, 837 were smallholders.<sup>4</sup> Furthermore, the assistance to the farmers had a direct impact on a countless number of workers and family members. On average, each farmer supported 3 workers and 4 relatives.

The final list of beneficiaries of the GBAR Agriculture programs also highlighted the demographic composition of Grenada's farmers—most of whom are older males. Although the majority of beneficiaries were men, 18% of the beneficiaries were women. The strong female showing derived primarily from the numbers of yam and anthurium recipients. Exactly 90% of the beneficiaries were over the age of 36 and of this sub-group, over 70% were over the age of 46. These numbers reflect the ongoing concern amongst Grenadians that their farmers are an aging population.

A description of each activity along with its potential economic returns follows below.

### **5.2.1 Importation and distribution of yam planting material**

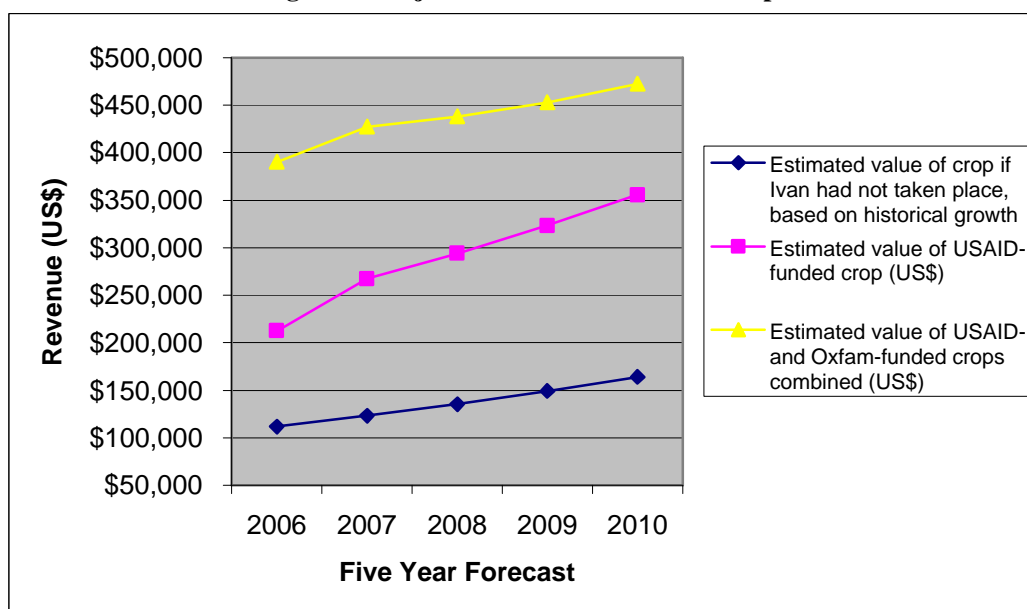
Root crops including yams form an important part of the daily diet of Grenadians and are widely grown by small holders. Under a Ministry of Agriculture Food Security Program, yam was

<sup>4</sup> The total of 837 small holders is greater than the total in the Results Indicators Table because it includes the recipients of the shadehouses and the anthuriums (discounted for duplicates).

targeted for increased production (acreage and productivity). Planting material was procured from farmers and distributed to other farmers who desired to produce the crop but were constrained by the availability of planting material. During 2004, the yam producers had planted their crop, but with the passage of hurricane Ivan, most of the farmers suffered total crop loss. As a result, the domestic supply of yams was very limited. The MNIB imported yams from St. Vincent to meet the domestic demand post-Ivan. There was little hope of easing this external dependence since the loss of the 2004 yam crop also eliminated the planting material needed for the 2005 crop.

GBAR chose to revitalize Grenada's ability to meet domestic demand for yams for a number of reasons: (1) unlike the short crops farmers would otherwise have planted, yams are a staple food, which contributes to food security; and (2) meeting demand through domestic supply would save the country valuable foreign exchange. With a grant of \$21, 211 to the MNIB, GBAR imported 41,000 pounds of yam planting material from Barbados and distributed it to 402 farmers. GBAR partnered with the MNIB to assist in the logistics of distribution. The Ministry of Agriculture (MOA) assisted with the selection of the beneficiary farmers and ensured that they were ready to receive and use the planting material. The MOA also provided the beneficiary farmers with technical assistance and a yam production fact-sheet as they attempt to transition from back-yard to commercial practices.

**Figure 5: Projected Revenue from Yam Crops**



At approximately 800 lbs of planting material per acre, the 41,000 lbs imported translates into approximately 50 acres of yams with a potential yield of 600,000 lbs. By all estimates, domestic demand is far from being satisfied so we estimate that for the foreseeable future, farmers will increase their planting material by 10% each year allowing the revenue from this activity to grow. Figure 5 illustrates the potential revenue that the 41,000 lbs of planting material can generate over five years. The potential revenue includes the income from the yams that will be consumed by the farmers themselves but does discount production by 20% annually due to pests and other crop losses and by an additional 10% in 2006 to account for the damages caused by



hurricane Emily. Despite the expected losses due to pests, mismanagement, climate etc., 2006 revenues are expected to exceed \$200,000.

Additionally, Figure 5 shows the potential economic impact of the yam importation activity when USAID's contribution is combined with the 30,000 lbs imported by Oxfam, who followed GBAR's lead on this activity.

### **5.2.2 Importation and distribution of pineapple planting material**

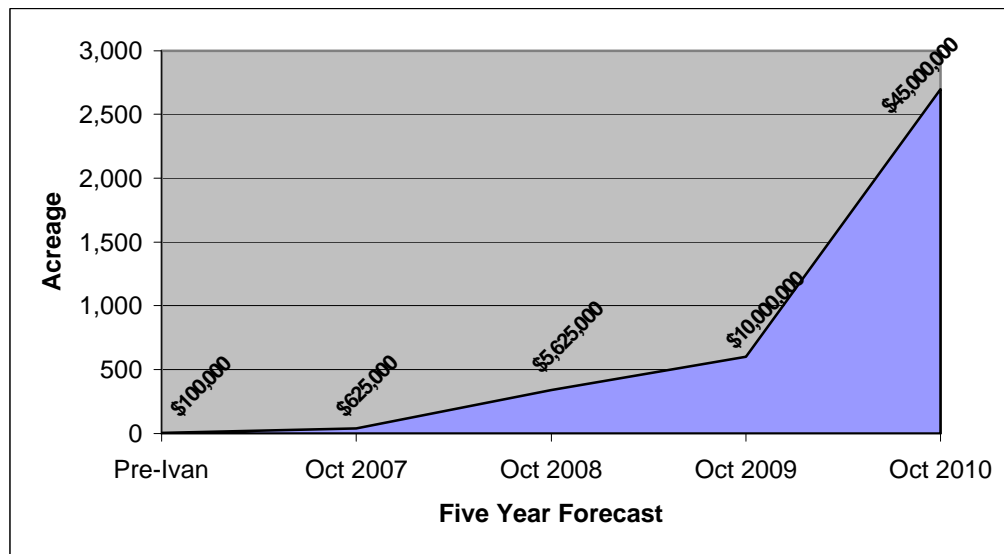
Pineapple is a crop that is always in demand by hotels and supermarkets but for which supply has always been inadequate. There is also demand for that fruit among the general population since very little pineapple is grown locally and imports of the fresh fruit are banned for regulatory reasons. Producers have expressed interest in growing this crop but the important limiting factor has been the lack of planting material on the island.



Pineapple plants in a farmer's field

In recognition of the linkages with the tourism industry and the untapped demand among the local population, GBAR imported 375,000 pineapple plants from Trinidad and Tobago through grants totaling \$69,240 to the MNIB. The activity was implemented in close collaboration with the MNIB and the Extension Division of the MOA.

**Figure 6: Potential Pineapple Acreage and Revenue**



The 375,000 plants represent an aggregate of approximately 37 acres. Figure 6 above demonstrates the potential acreage and revenue that these initial 37 acres could transform into given a conservative pineapple splitting program. Nonetheless, the figures merely represent a potential, which Grenada cannot convert into reality until the MOA develops a pineapple export program. Conversations with local agricultural experts indicate that production will most likely plateau in the year 2008 beyond which it would be necessary to have large-scale commercial practices in place to take advantage of the additional potential.

### **5.2.3 Importation and distribution of produce crates**

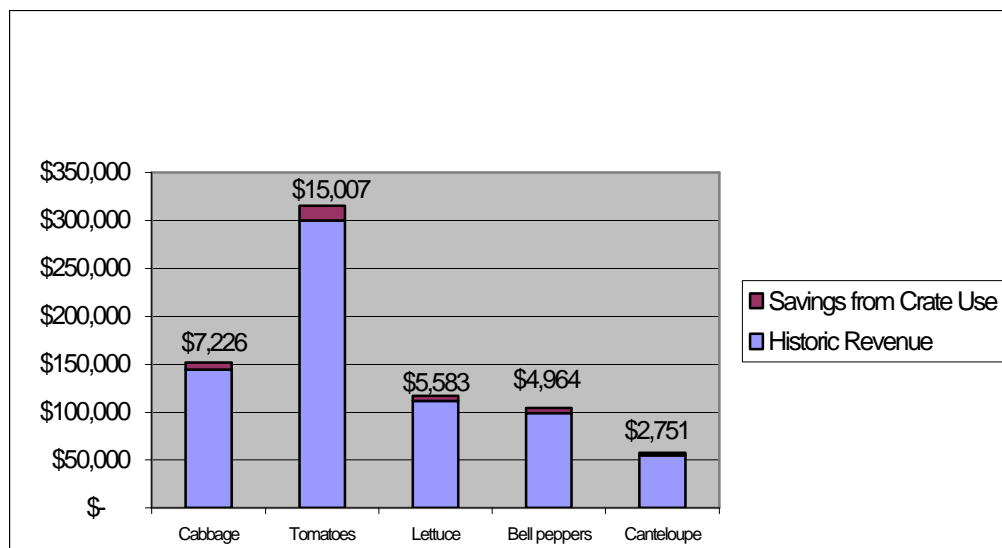
Proper post harvest handling of products is critical to the development of a competitive non-traditional crop sub-sector. Currently however, post harvest handling is compromised through the utilization of inadequate packaging. In some instances, products are delivered to hotels, supermarkets, the MNIB or the public markets in used fertilizer bags rather than produce crates. The situation worsened when a number of producers lost their crates due to the passage of hurricane Ivan. According to the MNIB, the result of inadequate packaging is an 8% loss of product during transportation because of bruising and bursting.



Farmers such as Leslie Alexis, pictured above, began using the produce crates as soon as they received them.

Through grants totaling \$61,850 to the MNIB, GBAR imported and distributed 5,066 plastic crates to farmers. Distribution took place in two phases because the initial quantity of 2,566 crates was not nearly sufficient to meet the demand from farmers based on the production levels recorded by the MNIB. A decision was therefore taken to import a further 2,500 crates near the end of the year.

**Figure 7: Projected Increase in Annual Revenue from Use of Crates (US\$)**



From past experience, the MNIB director estimates that crates can reduce crop loss due to damage by 5%. Therefore, the use of crates represents an increase of 5% over historical revenues recorded by the MNIB. Figure 7 above demonstrates the projected savings per year from the use

of proper packaging. The number of crates distributed is significant enough to allow for the transportation of the total produced annually for each of the crops listed in Figure 8 hence the total savings on annual basis are about \$35,500.

It should be noted that due to the popularity of this program, the MOA and OXFAM both imported a small quantity of crates, which they also distributed to local farmers.

#### **5.2.4 Importation and distribution of anthurium plants**

Grenada's flowers are renowned throughout the world as a result of the five consecutive gold medal wins at the Chelsea Flower Show of the Royal Horticultural Society. The Grenadian horticultural industry has great potential but at the moment it is relatively young with a modest growth rate. As discussed in the section on the SME Component, Grenada is developing itself as a niche garden tourism destination. Before the passage of hurricane Ivan, there were approximately 15 commercial growers of anthurium, with an aggregate total of approximately 98,000 anthurium plants. Production for both the domestic and export market had surpassed one million blooms per year. The passage of the hurricane caused an estimated 90 per cent damage to the horticultural industry, both in terms of plants and infrastructure for the growing of the plants (shadehouses, irrigation etc).

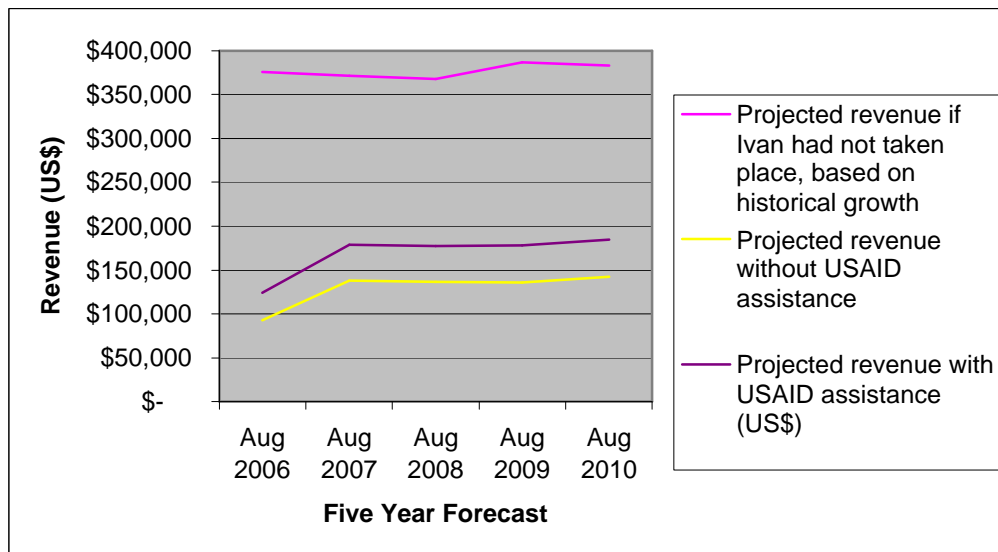


Left: Anthuriums arrive from the Netherlands. Right: A member of the Grenada Flower Growers Association in his nursery with newly planted anthuriums.

In response to the needs of the commercial anthurium growers and the important linkages between them and the growing garden tourism sector, GBAR imported 7,000 anthurium plants of various colors from Holland and distributed them to 17 members of the Grenada Flower Growers' Association. The activity was accomplished through a \$33,713 grant to the Association. As decided in conjunction with the Association, plants were distributed in proportion to losses suffered by the members.



**Figure 8: Expected Revenue from Cut Flower Sales\***



\*The annual number of blooms is discounted by 20% to account for losses due to disease, weather, and ill treatment. However, since years 4 and 5 are peak yield years in the life cycle of anthuriums, these years are only discounted by 15%.

The 7,000 blooms can produce a steady annual income in the range of \$40,000 to \$42,000. The projected revenue is expected to remain fairly stable because plant numbers cannot increase due to propagation restrictions placed by the supplier and plant numbers also rarely decrease—only blooms tend to decrease because of improper care and always have the potential to return to maximum production if given proper treatment. In Figure 8, the gap between the line representing projected revenue with USAID’s assistance and the line representing revenue without USAID’s assistance signifies the return from the 7,000 plants over a five-year period.

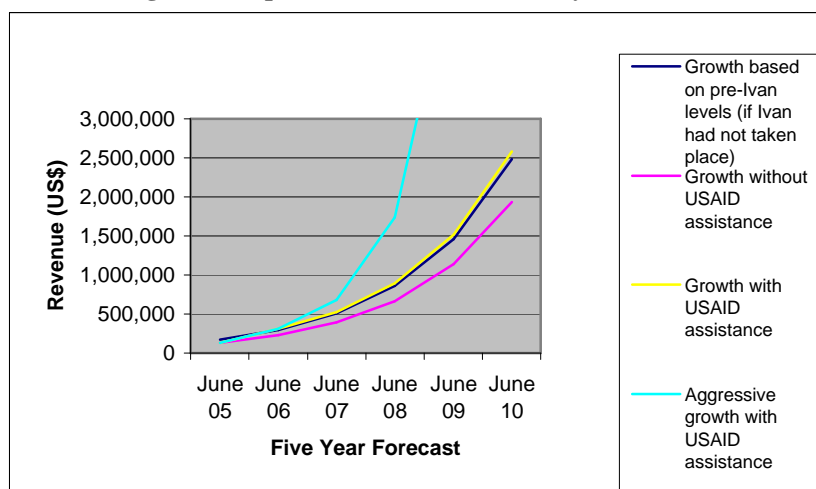
The expected revenue in 2006 is lower than other years due to the time it takes the flowers to reach full maturity. Nonetheless, the growers were able to harvest some blooms immediately providing much needed revenue. As the President of the Flower Growers Association commented, “This is why the arrangement entered with the CARANA office is so important to Grenada [flower] farmers...[because they] brought much larger plants so if handled properly some were ready to bloom right then.”

### **5.2.5 Importation and distribution of queen bees and beehives**

Prior to the hurricane, the Grenada Beekeepers Association, which accounts for most of the apiculture activity on the island, had approximately 41 persons involved in beekeeping with an aggregate total of approximately 1,500 hives. As a result of the hurricane, approximately 66% of apiaries were destroyed while some of the remaining bees absconded and others starved due to the lack of flowers.

The Grenada Beekeepers Association already had in place a plan of action for the development of apiculture into a commercial enterprise in Grenada so they were well prepared to make use of a \$46,435 grant for 500 queen bees and 500 beehives. Bees and hives were distributed to members based on the size of their operation prior to the hurricane and the extent of their losses.

**Figure 9: Expected Revenue from Honey Production**



Apiaries have an infinite lifespan that depends only on the care that is given to the bees. It is possible to split a hive into as many as four hives on an annual basis limited only by the farmer's space and ability to maintain such a high growth rate. Figure 9 assumes that each year each hive is only split into two and that only 70% of hives produce honey. Even with these conservative measures, we estimate that in five years, the USAID inputs into Grenada's apiculture will result in about \$2.5 million in revenues—nearly \$100,000 greater than where they would have been without the effect of Ivan and nearly 34% greater than where they would be without the assistance. Although the projections end in 2010, it is possible for these flows to continue growing interminably.

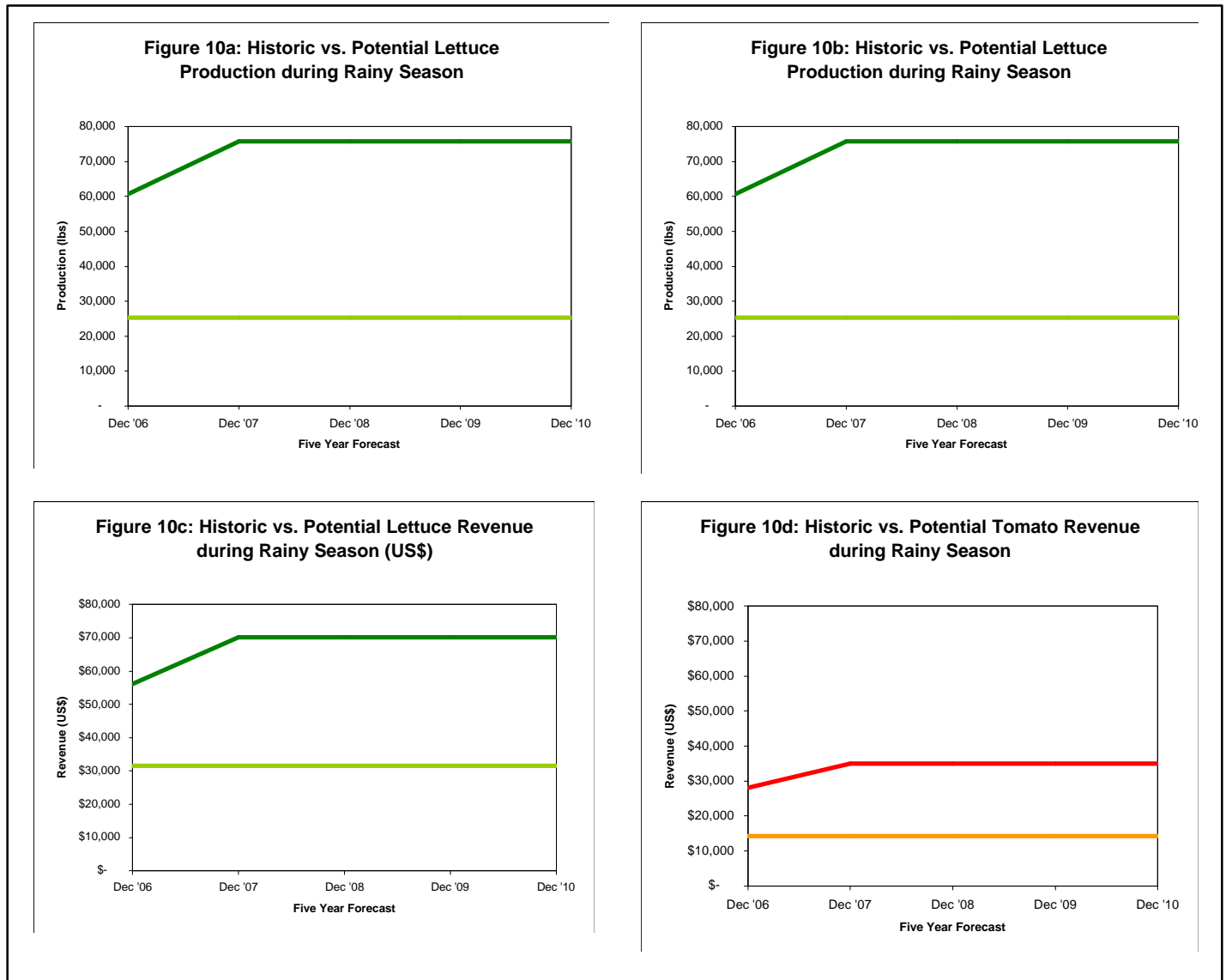
The introduction of the new hives also brought best practices to the beekeepers since the plastic material they are made of is much sturdier than what is traditionally used. In the face of another hurricane the new hives would not likely be destroyed and if soiled, they would only need to be cleaned before being ready for renewed use.

It is noteworthy, that by the end of the project not all of the bees and hives will have been distributed because not all of the beekeepers hives are strong enough to allow the necessary splitting. As soon plants begin flowering and the hives are strengthened, the remainder of the bees and hives will be shipped for distribution.

### **5.2.6 Importation and distribution of shade houses**

Strong linkages between the agricultural sector and tourism sector can contribute significantly to agricultural development. Despite the GOG and Ministry of Agriculture's commitment to strengthening existing linkages, a key constraint to the consistency of fruit and vegetable supplies to the tourism industry is the negative impact of the rainy season on these crops. During the rainy periods of the year it is nearly impossible to produce crops of tomato, lettuce and cantaloupe among others. Tomato, for example, depends on physical vibration of its flowers by wind or insect to facilitate pollination. Heavy rains at the time of opening of the flowers prevent pollination, thereby resulting in poor tomato production. Heavy rains and even extreme sun can also negatively affect cantaloupe and lettuce production. Without protection from the elements, farmers cannot guarantee hotels a consistent fruit and vegetable supply.

**Figure 10: Impact of Shadehouses on Historic Revenue and Production**



With the assistance of the MOA, GBAR identified 14 commercial farmers, who were supplying the hotels with fruits and vegetables prior to the hurricane. They received grants totaling \$149,514 for 14 shadehouses, each 6,000 sq ft in size.<sup>5</sup> The shade houses cover an aggregate of approximately two acres. If managed properly, the shadehouses can allow farmers to reap much more of what they plant during the rainy season than what they currently reap. Currently they only produce about 25% of their potential during the four peak months of the rainy season--September, October, November, December. Figures 10a – 10d demonstrate the potential production and revenue resulting from the use of shadehouses to grow lettuce and tomatoes

<sup>5</sup> GBAR imported a total of 16 shadehouses. The remaining two were smaller in size and were granted to the Grenada Horticultural Society and to a flower grower.

during the four peak months of the rainy season. Our conservative estimates are based on the assumption that in the first year they will produce 65% of their potential and in the following years 75% of their potential, which is a twofold increase over current production levels. Over five years, the increased yield from the rainy seasons could sum up to \$433,000.

#### **5.2.7 Propagation and distribution of fruit trees**

While small relative to other tree crops, the local fruit sub-sector was the main source of fruit for the tourism sector and the local population prior to the hurricane. Importantly also, fruits such as mango and golden apples were exported to markets in the United States and the United Kingdom. With the passage of the hurricane, the majority of the island's fruit trees were damaged.

Low productivity levels and a general lack of competitiveness in cocoa and nutmeg prior to Ivan and extensive damage after Ivan, decreased farmers' intent to return to these activities at previous production levels, resulting in the thus releasing significant amount of lands for other agricultural activities. The availability of land coupled with the rising trend of health-conscious food consumption in Grenada creates an opportunity for further development of the fruit tree sector.

Two GBAR grants for a total of \$177,900 funded the propagation and distribution of 57,000 fruit trees to 30 farmers for the establishment of orchards. An aggregate of 1,015 acres are to be planted. In addition to plants, the grant included purchase of 30 brush cutters in order to assist farmers with their weed control. At the close of the project, only one farmer had received fruit trees—approximately 300 breadfruit, 200 golden apples and 400 soursoup—while the remaining plants were being propagated in nurseries.



Mango plants at the nursery of the locally contracted propagator.



Though the trees will not reach their peak fruiting potential until after 2010, the 57,000 trees will ensure a consistent, albeit small, local supply of fruit and slowly reduce the dependence on imported fruit.

### **5.2.8 Land Clearing for Cocoa and Nutmeg Farmers**

Pre Hurricane Ivan, cocoa and nutmeg played a major role in agricultural activities including the generation of incomes and employment for a significant number of persons, in rural areas. As a result of the hurricane, approximately 70 per cent of the cocoa and nutmeg trees were destroyed.

Nutmeg and cocoa farmers suffered significant damages due to broken or toppled trees, but with pruning to encourage re-growth, the farmers found that some of the trees were salvageable. GBAR contributed to the first steps in the revitalization of these sectors by clearing land and pruning trees. Under the Vocational Skills Training Component, GBAR awarded grants totaling \$101,870 to the Grenada Cocoa Association and the Grenada Co-operative Nutmeg Association to purchase chainsaws and other tools and train 84 men in chainsaw operation. Under the supervision of the Associations, the trainees cleared 240 acres of land for cocoa farmers and 260 acres for nutmeg farmers.

While traditional cash crops such as nutmeg and cocoa were in a period of decline prior to the hurricane they continue to be critical economic sub-sectors and a source of export earnings and livelihoods for thousands. A market assessment conducted by GBAR determined that the recovery of the sub-sectors is dependent on the extent to which Grenada can: 1) revive damaged tree crops; 2) modernize production, drying and processing techniques; and 3) identify and exploit value-added and niche markets. Future programming must implement interventions that aggressively move the sectors forward.

### **5.2.9 Potential Results of the Agriculture Activities**

By selecting seven strategic interventions that emphasized immediate food security needs as well as longer-term productivity, export potential, and linkages to the tourism industry, the GBAR program provided Grenada with the seeds to change its agricultural landscape. After a period of uncertainty over the future of Grenada's agricultural sector, GBAR's activities helped lay the ground work for positive change leading to a sector that is more dynamic, diverse, resilient and more competitive than that found in the pre-Ivan era.

**Table 5: Potential Future Revenue Streams from USAID-funded Agricultural Inputs**

	<b>Cost of Activity</b>	<b>Potential Revenue Attributable to USAID Activities</b>				
		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Bees	\$46,435	\$77,778	\$132,222	\$224,778	\$382,122	\$649,608
Yams	\$21,211	\$212,593	\$267,259	\$293,985	\$323,384	\$355,722
Pineapples	\$69,240	\$0	\$625,000	\$5,625,000	\$10,000,000	\$45,000,000
Shadehouses	\$149,514	\$69,957	\$90,993	\$90,993	\$90,993	\$90,993
Flowers	\$33,713	\$30,800	\$40,656	\$40,249	\$42,337	\$41,914
Crates	\$61,850	\$35,531	\$35,531	\$35,531	\$35,531	\$35,531
Fruit trees	\$177,900	\$0	\$0	\$5,048	\$13,360	\$20,450
<b>TOTAL</b>	<b>\$559,863</b>	<b>\$426,659</b>	<b>\$1,191,662</b>	<b>\$6,310,536</b>	<b>\$10,874,367</b>	<b>\$46,173,768</b>

In addition to having a catalytic effect on the direction of the agricultural sector, GBAR also achieved dramatic results, with high returns on USAID's investments. With the exception of the fruit tree initiative—whose return horizon is a bit longer—all of GBAR's agricultural activities have the potential to recover the cost of investment within two years. As shown by Tables 5 and 6, a conservative estimate of the cumulative potential revenues derived from the interventions is likely to reach \$1.5 million between 2006 and 2007. This represents a nearly three fold return on the initial USAID investment. For some activities, such as bees, yams and pineapples, the rate of return is estimated to exceed 400 percent, 2200 percent, and 900 percent, respectively.

**Table 6: Return on USAID Investment Over Two Years**

	<b>Cost of Activity</b>	<b>Potential Revenue</b>	<b>Return on Investment</b>
Bees	\$46,435	\$210,000	452%
Yams	\$21,211	\$479,852	2262%
Pineapples	\$69,240	\$625,000	903%
Shadehouses	\$149,514	\$160,949	108%
Flowers	\$33,713	\$71,456	212%
Crates	\$61,850	\$71,063	115%
Fruit trees	\$177,900	NA	--
<b>TOTAL</b>	<b>\$559,863</b>	<b>\$1,618,320</b>	<b>289%</b>

The potential revenue derived from the imported crops, crates and shadehouses will have long term impacts. Whether or not beneficiaries sell or consume (food expenditure saved is income earned) the crop yield, the USAID assistance will make a significant contribution to food security and household income for farmers, their families and the population at large.

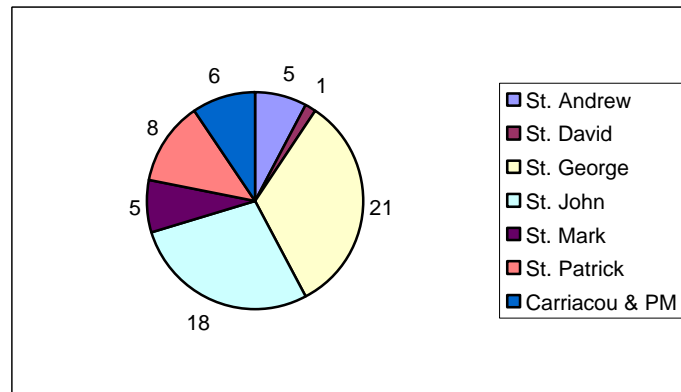
### 5.3 FISHERIES

Prior to the hurricane, Grenada's fisheries sector was experiencing dynamic growth. The challenge of the GBAR program was to provide technical and grant assistance to revive fisherfolk livelihoods, contribute to local food security and contribute to export earnings.

Sixty-four commercial fisherfolk received grant assistance to replace equipment including engines and fishing gear and to purchase materials and parts to repair boats and engines. Additionally, two fishermen's cooperatives received grant assistance including one from Isle Rhonde, a small island off the northern coast of Grenada. Over 50% of the beneficiaries had suffered very serious or irreparable damage to their boats and engines and 8 of the boats were completely submerged. The assistance they received ranged from \$145 to replace a fishing net to \$10,500 to salvage and tow a boat that was submerged. The average per fisherman was \$1,931.

The assistance to the fisherfolk indirectly benefited their 235 employees, 344 dependants and the surrounding communities who depend on them for foodstuffs. Figure 11 illustrates the geographic distribution of the beneficiaries. The majority of the grantees were from the parishes of St. George and St. John, which are the two fishing areas that suffered the most damage during the hurricane.

**Figure 11: Geographic Distribution of Fisherfolk Grant Recipients**



In late November 2005, closing interviews were conducted with 41 of the 64 fisherfolk who received assistance. Of the 41 interviewed, only 25 had completed sourcing the parts and equipment to complete repairs to their boats and engines. Furthermore, of these 25 only 14 of the boats had returned to fishing. Numerous external factors, detailed below, have prevented the full recovery of Grenada's fisheries sector:

- (1) Hike in fuel and oil prices. As GoG began to phase out its oil subsidies in October, local prices saw a large jump: diesel fuel increased by 73% per gallon while oil increased by 28% per quarter. Fisherfolk are doubly affected because their boat engines require both fuel and oil. It is increasingly challenging for boat owners to find hands willing to work on their boats because the cost of not catching fish—measured in terms of money owed to the owner for fuel and oil—has become too high. Some boats are grounded solely due to the lack of workers.
- (2) Rainy season. The majority of the repaired boats completed their repairs during the rainy season, which is a time when they fish relatively little. At least five of the boats that have completed repairs have not returned to fishing because they are waiting for the weather to improve.
- (3) Hurricane damage to coral reef. The coral reef is the spawning ground for conch (locally called 'lambie'). The fisherfolk who fish for conch, report that the hurricane's rough swells damaged the reef and therefore affected their productivity.

Together, the rainy season and the increase in oil prices resulted in decreased catch and decreased revenue. The rainy season is the key reason that only six of the 14 fishermen who were engaged in fishing experienced increased catch as of November. The increase in fuel prices then squeezed profit margins such that the average profit per pound of fish after October 2005 (specifically for the fisherfolk who received grant assistance) was 32% less than it was before.<sup>6</sup> The fisherfolk interviewed, attribute the entire drop in profits entirely on the increase in oil and

<sup>6</sup> Prices per pound of fish are set by the Grenada Marketing and National Importing Board for local and export markets. The prices per pound reported here are specific to the fisherfolk who received assistance because they average across different types of catch, including bait and conch, and combine catch for both local and export markets. The fisherfolk reported an average of EC\$2.09 before Ivan and EC\$1.58 after October 2005.

fuel prices. Most fishermen expect to experience the real benefit of USAID's assistance after December when the pelagic fish season returns (i.e. kingfish, bonito, tuna sailfish, and marlins).



Left: Fishermen with engine damaged and rusted because of the Hurricane. Right: Fisherman receiving new engine from the GBAR Fisheries officer.

### **5.3.1 Results to Date of the Fisheries Assistance**

USAID's \$177,000 investment in Grenada's fisheries sector has the potential to provide substantial returns to the 64 beneficiaries, their workers, families and surrounding communities. Even with the ongoing drop in profits due to high oil prices, USAID's assistance translates into roughly \$900 per fisherman for each month that the grant allows them to return to the water. As of November, USAID-funded grants resulted in \$5,730 in average weekly profits for the fourteen fisherfolk who were operational.

By far, the greatest impact of USAID's assistance is that it secured revenue streams and increased food availability in the near term. The grant assistance to repair and replace boats and engines during the 2005-2006 rainy season will allow the fisherfolk to take advantage of the peak season in 2006. Furthermore, when the fishing activities resume, the fisherfolk will be operating with improved and safer equipment. Already 12 report that they feel safer at sea due to their USAID-funded purchases and repairs. If the fisherfolk had needed to depend on the revenue from the current difficult season to repair their boats then it is unlikely that the sector would rebound in the near future.

## **5.4 LESSONS LEARNED**

The target beneficiaries in the agriculture sector benefited from GBAR's collaborative efforts with other institutions involved in similar reconstruction activities. Collaboration minimized duplication of efforts and inefficient utilization of scarce resources. The GBAR agricultural program worked closely with OXFAM and encouraged them to also import and distribute yam planting materials to farmers. The GBAR agricultural program also sought to work with the Food and Agricultural Organization (FAO) in reconstruction activities among fisherfolk and flower growers. This collaborative effort resulted in a greater number of beneficiaries receiving support.

In order to enhance sustainability it is important that local institutions participate fully in any initiative. From the onset, the GBAR agricultural program collaborated closely with the Ministry of Agriculture (MOA) and the Marketing and National Importing Board (MNIB). Such collaborative effort laid the basis for sustainability after the close of the GBAR program. Close collaboration with the MOA resulted in the Ministry importing five additional greenhouses from the manufacturer selected by the GBAR program. In addition, both those institutions have expressed appreciation at being given the opportunity to work closely with the GBAR agricultural program. This is important for any development program implemented by an external agency.

In general, an important lesson learnt was that having the needs and wishes of the Ministry of Agriculture and other local institutions and the farmers and fisherfolk guide the GBAR reconstruction program played a major role in its ready acceptance by the stakeholders. Monitoring of implementation contributed significantly to the level of success attained.

## 6.0 VOCATIONAL SKILLS TRAINING COMPONENT

### 6.1 OVERVIEW

The devastating effects of the hurricane caused the displacement of large numbers of persons from their regular occupations. The Vocational Skills Training Component directly mitigated the hurricane's impact on the livelihoods of 2,310 unemployed and underemployed Grenadians by providing:<sup>7</sup>

- \$392,342 in emergency income via weekly stipends for attending training classes;
- New skills for future employment and increased earning potential;
- Human resource development to enhance Grenada's long-term economic growth and competitiveness in key economic sectors; and
- Institutional capacity building to training organizations to upgrade their services.

GBAR partnered with 27 institutions to deliver no less than 85 courses categorized under 'Tourism-related services,' 'Construction Skills,' and 'Other Skills.' Over half of the people trained received training in Tourism-related Services while 22.0% received training in Construction Skills and 21.6% in Other Skill areas. GBAR exceeded its targets in each of the three indicators.

**Table 7: Distribution of Trainees by Parish**

Parish	Percentage of Trainees
St. Andrew	15.5%
St. David	13.7%
St. David	27.4%
St. John	12.9%
St. Mark	6.1%
St. Patrick	15.7%
Carriacou & Petite Martinique	8.7%

Unemployed and underemployed persons throughout Grenada benefited from the training. As illustrated in Table 7, persons from all seven parishes, including Carriacou, participated in the trainings.<sup>8</sup> The diverse locations of the training institutions and the actual training sites and the transport afforded by the provision of stipends resulted in significant representation by persons from all parishes.

---

<sup>7</sup> 4.4% of the total persons trained enrolled in more than one course. In order to account for the duplicates, the number of trainees reported here is 5% less than the totals reported in the final monthly report. GBAR's training partners allowed people to enroll in more than one course depending on multiple conditions. Stipend payments per individual were capped to prevent people from profiting from the program.

<sup>8</sup> The percentages for vocational skills trainees by parish, gender and female head of household, which are discussed in this section of the report, are based on the number of trainees who responded to the relevant question in the training registration forms. In all cases, a majority of the total trainees responded therefore we assume that the responses are representative of all trainees. Where numbers are given, we have used the percentage derived from the actual responses and applied it the total figures.



GBAR exceeded targets for female participation in each type of training. Overall, 70.9% of the beneficiaries of the Skills Training Component were women (see Table 8). During the early stages of the training program implemented under the USAID-funded Caribbean Trade and Competitiveness (C-Tradecom) contract, a grant was awarded to the Grenada National Organization of Women (GNOW) to recruit female applicants. Their recruitment activities included public announcements, radio interviews, and distribution of flyers. The initial round of publicity followed by continuous word-of-mouth secured a stream of female applicants for all USAID-funded training activities.

**Table 8: Female Participation in Skills Training**

Female Participation	Targets	Results
Tourism-related Services	60%	69%
Construction Skills	50%	67%
Other Skills	50%	79%
<b>Total</b>	<b>70.9% (1,638) women trained</b>	

The emergency income and the skills enhancement also benefited the family members and dependants of the trainees. Registration records demonstrate that the trainees had a total of about 4,158 dependants. In addition, since about 23.5% of training graduates were female heads of household then over 500 families, many in precarious economic situations, directly benefited from the Skills Training Component.

#### **6.1.1 Emergency Income**

The provision of immediate income was integral to the design of the GBAR Skills Training Component because it provided a mechanism to mitigate income loss due to the hurricane while and simultaneously motivated people to upgrade their skills and return to work.

Approximately 2,069 participants in the USAID-funded vocational skills training courses received stipends.<sup>9</sup> Throughout the life of the project a total of \$392,342 was distributed in stipends payments to skills trainees. Applying a 1.3 income multiplier, the provision of \$392,342 in stipends results in \$510,000 of downstream economic activity through the purchase of local supplies, food and services.

For the majority of the courses, trainees received a daily stipend of EC\$30 (US\$11) which was comparable to the wages for an unskilled helper on a construction site or an entry-level worker in the hospitality industry. Interviews and focus group discussions with the trainees indicate that the income was primarily used to pay for transportation, materials and food during the time of training. A small minority saved the stipend payments to use as start-up capital for small business ventures.

<sup>9</sup> Not everyone trained received stipends for the following reasons: (1) 151 people trained by the Carriacou Regatta Committee received stipends through UNDP who co-sponsored the course with GBAR; (2) One grant agreement provided for a transport allowance rather than a stipend; and (3) Some institutions enrolled more students than the number stipulated in their grant agreements.

All the trainees interviewed expressed that the stipends were a very welcome feature of the courses. Trainees and instructors alike agreed that the vast majority of the students attended the courses to enhance their skills rather than to receive the stipend. In a great deal of instances, the stipend facilitated attendance since it covered the cost of transportation. In fact, training institutions in the St. George's area credit the stipend for exposing them to people from the outer parishes since it subsidized their long commute.

### **6.1.2 Personal Development**

A common element cited by both instructors and trainees was the impact of the training courses on the personal development and outlook of the trainees. Nearly all of the training courses included either a structured personal development component or ad hoc talks offered by the instructors. The formality of the lessons ranged from five day "Life Skills" modules facilitated by GNOW to after class chats on personal motivation. The GNOW workshops, with specific units for 'Personal Development and Motivation' and 'Gender Awareness,' specifically targeted women and men being trained in construction skills to facilitate women's entry into these fields.

The personal impact of these sessions was particularly felt by trainees earlier in the year, many of who were still suffering emotionally from the effects of the hurricane. Some of these trainees expressed that the training was fundamental in motivating them to return to the workforce. As one trainee who graduated from the Tourism Transportation Product Development course said, "At the end of the day, we are much more well equipped to face the job [market]—both with confidence and wealth of information." Trainees credited the training for their employment whether the job was or was not in the field in which they were trained.

## **6.2 TOURISM**

After the hurricane, over 50 percent of persons previously working in the hospitality sector were unemployed, and another 40 percent were underemployed. Prior to the hurricane many aspects of Grenada's tourism services were considered sub-standard and in need of upgrading to become internationally competitive. The temporary shutdown of large parts of the tourism sector provided a unique opportunity for focusing on upgrading skills without disrupting the businesses involved.

The tourism-related services vocational training courses contributed to the long-term competitiveness of Grenada's tourism product by targeting:

- Persons displaced from their jobs in tourism such as employees of hotels under repair;
- Persons seeking to enter the tourism industry; and
- Persons who were underemployed within the industry because of the drop in tourists such as taxi and tour operators.

GBAR partnered with Grenada Hotel and Tourism Association (GHTA), Progressive Airport Taxi Union (PATU), Grenada Small Enterprise Development Unit (SEDU), National Taxi Association (NTA), New Life Organization (NEWLO), St. David's Business and Recreation Organisation (BISREC), St. Mark's Development Committee, St. Patrick's Multipurpose Centre (SPMC), The Grenada Arts Council, Carriacou Regatta Committee, Grenada Community



Development Agency (GRENCODA), Grenada Citizen Advice and Small Business Agency (GRENCASE), Grenada Education and Development Programme, Grenada National Council of the Disabled (GNCD), and Grenada Scuba Dive Association (GSDA), to deliver training in tourism related services.

GBAR trained 1,302 people in traditional tourism and community tourism skill areas. A description of the activities by type of training follows below.

#### **6.2.1 Traditional Tourism Training**

Traditional tourism training entailed courses in hospitality arts, housekeeping, supervisory housekeeping, front office procedures, food and beverage preparation, candy-making, advanced cookery, restaurant services, supervision in the hospitality industry, management development, basic pottery, craft, advanced craft, taxi and tour operators certification, river tubing guide, and diving and water sports development.

The Grenada Hotel and Tourism Association (GHTA) trained the majority of the persons in traditional hospitality skills, especially those related to hotel operations. Seventy-five percent of the trainees in these fields were new to the industry. As hotel managers began consulting GHTA and the course instructors for employee referrals it became evident that the training was sufficient to compensate for the trainees' lack of experience. Final interviews with business owners who received grants under the GBAR Small and Medium Enterprise Component also highlighted that managers in the hospitality industry were seeking out people trained under the Skills Training Program.



Grenada Hotel and Tourism Association Housekeeping Course

The Grenada Board of Tourism Taxi & Tour Operator Certification Program, managed by the two major taxi associations on the island, trained about 200 taxi drivers and tour operators. The purpose of this certification program was to upgrade and enhance the trainees' hospitality and safety skills and knowledge of Grenada. The program so effectively outlined minimum operating standards for members of the taxi and tour industries that during the course of the project, the Grenada Board of Tourism, the Ministry of Tourism and the Grenada Ports Authority began offering the same curriculum for a fee and made the certification a prerequisite for taxi drivers to operate on the new cruise ship port.



Graduation of a cohort of taxi operators from the Taxi & Tour Operator Certification Program.

One of the final tourism-related activities to come about because of GBAR training was the “Buy Grenada” Craft Fair organized to showcase the work of the persons who received training in craft and souvenir production. The fair was organized in collaboration with the Grenada Citizen Advice and Small Business Agency (GRENCASE). A great amount of emphasis was placed on the development of different designs linking the crafts sector with Grenada's diversified tourism segments of garden, culture and heritage tourism. The training and the Fair aimed to boost the development of community tourism and employment in rural areas. The fair was largely a success, generating revenues of approximately \$11,000 over a three-day period. Several producers reported that they received wholesale orders for their products.



One trainee who learned to carve the gourds of a local tree said, “We have a lot of boli in Carriacou. We saw a lot of them on the tree. Because of the training, [I see them and] I can say that’s my job now, full-time!”

### **6.2.2 Community Tourism Training**

Community tourism projects are becoming increasingly popular in the Eastern Caribbean, as visitors are not only demanding a tourism product that meets minimum international standards, but also seeking to become more integrated into local communities and experience the culture of the local people first hand.

GBAR partnered with several community-based organizations to deliver training in small business management, small inns hospitality skills, souvenir creation, food vending, community tourism drama, data collection for community tourism, eco-tourism management, professional tour guiding, and trail design and development.

The St. David’s Business and Recreation Organization (BIZREC) is one community organization with a mission to equip members of its community with the skills and knowledge to earn an income and improve their livelihoods. Focusing on the theme of “Community Tourism,” BIZREC introduced training programs in souvenir creation, tour guiding and trail design and development to enhance tourism product offerings in the parishes of St. David and St. Patrick. Traditionally, persons from St. David depended largely on agriculture for their livelihood. The passage of Hurricane Ivan severely affected this sector, creating a need and an opportunity for its residents to diversify their economic activities. Since completing the program, three co-operatives, one from each of the training programs, were formed by the respective trainees who wished to continue utilizing their newly developed skills to improve their standard of living and make a positive impact in their parishes.





Trainees creating souvenirs

The increasingly popular Gouyave Fish Friday Festival is just one of the legacies of the GBAR program. GBAR offered the Gouyave Fish Friday Festival Management and Vendors' Training in conjunction with the Grenada Community Development Agency (GRENCODA), a community organization whose mission is to "provide guidance and support to rural individuals, families and communities to improve their quality of life." This training led to the development of the now weekly Gouyave Fish Friday Festival. The Fish Friday vendors received training in several areas including Health/Sanitation, Business Development, Interpersonal & Customer Relations and Food Preparation/Presentation. The project enabled members of the largest fishing village in Grenada to earn an income by utilizing their most abundant resource. The success of this program has not only been felt by the trainees who participated in the program but also by the town of Gouyave as a whole (see the box, *Gouyave Fish Friday Festival* for more on the impact of the activity on the vendors' livelihoods). Both local and foreign visitors frequent this weekly activity, resulting in both economic and social benefits to the town.

### Box 3: Gouyave Fish Friday Festival – Economic & Environmental Impact Survey



Visitors eating and socializing at the Gouyave Fish Friday Festival

#### Demographics of the GFF Vendor

80% Females  
Predominantly 36-45 years old  
60% Primary school education  
3 Dependents per household

#### Socio Economic Profile

50% Have another job  
60% Average income less than \$370/month (EC\$1000)

#### Economic Impact of Fish Friday

80% Fish Friday is main source of income  
For 80% one day's profits range from \$37 – \$185 (EC\$100 – \$500)  
For 20% one day's profits exceed \$370 (EC\$1000)  
Compare to average weekly wage for a restaurant cook of \$185  
\$587 Total earnings for vendors' employees for 1 to 2 days of service  
Expenses between \$75 and \$185 per vendor per week spent in local community  
All vendors source inputs from local farmers, fisherfolk, and markets

#### Environmental Impact

All vendors depend on garbage truck for waste disposal  
90% ensure food safety by using proper storage

### **6.2.3 Results to Date of Tourism Training**

Grenada's tourism industry is already benefiting from some early impacts of the tourism-related trainings. Medium and longer-term impacts were not possible to measure or estimate because the first tourist season post-Ivan was beginning as the GBAR program was closing and the largest hotels on the island had just re-opened or were not scheduled to reopen until 2006. Some of the results already documented include:

- Ongoing demand for trainees who received hotel and restaurant services training—interviews with hotel and restaurant owners who received GBAR grants indicate that they have already employed people who received USAID-funded training or are in the process

of contacting the Board of Tourism or the Grenada Hotel and Tourism Association to help them identify trainees whom they can hire.

- Increased economic activity—the USAID-sponsored Craft Fair and especially the ongoing Gouyave Fish Fry Friday have had a tremendous economic impact on the participants.
- Increased self-employment—although the tourism season had not picked up pace, many of the people trained in craft or food production were already producing and selling goods locally.
- Increased tips for taxi operators—taxi operators reported back to GBAR that their revenue from tips had increased as a result of their training. They also report that they feel much more confident about their tour product.
- Increased local participation in the water sports industry—some of the water sports trainees formed their own group after their USAID training to pay for advanced training. Their commitment marks the first steps toward increasing Grenadian presence in a field that is dominated by foreign business owners.

### **6.3 CONSTRUCTION**

Whereas many economic sectors experienced a significant decline due to the hurricane, areas such as construction experienced an acute demand for skilled workers. GBAR partnered with the T.A. Marryshow Community College (TAMCC), New Life Organization (Newlo), Grenada Citizen Advice and Small Business Agency (GRENCASE), Grenada Relief, Recovery and Reconstruction Inc (GR3), Marine and Yachting Association of Grenada (MAYAG), and St. Patrick's Multi-Purpose Centre, to deliver the training necessary for workers displaced from other sectors to engage in higher-skilled construction work. At the time, building contractors could not have delivered the training due to huge and pressing work volumes and the training institutions, themselves impacted by the hurricane, did not have the resources to train people in great numbers.

GBAR trained 499 people in construction skills including roofing, carpentry, plumbing, electrical installation, construction site management, masonry, tiling, and occupational health and safety. For the purposes of post-hurricane reconstruction, small engine repair and boat repair were also classified as construction skills. The selection of courses and their curriculum were based on consultations with representatives from the construction industry.

**Figure 12: Percentage of Graduates Trained in Various Construction Skills**

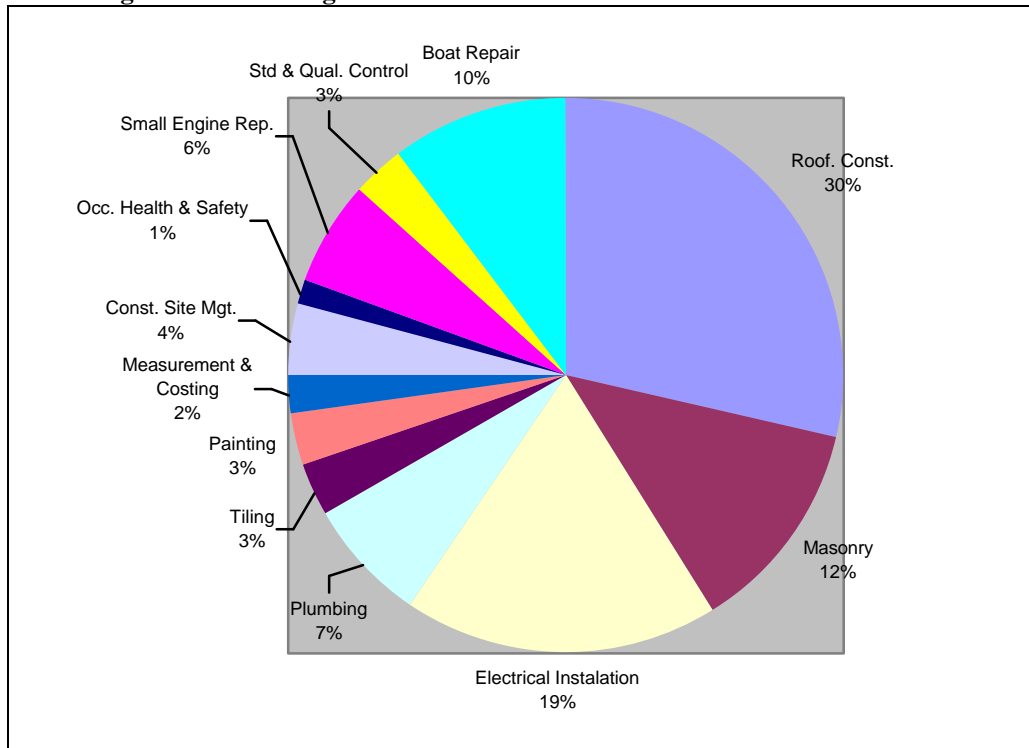


Figure 12 shows that, in keeping with the needs of the construction industry in the post-hurricane period, the highest percentage of persons (30 percent), were trained in roof construction and house repair. The other traditional construction skills, electrical installation and masonry, were also well represented. All the courses included theory and practical training components. At least one of the institutions, the New Life Organization (NEWLO), secured apprenticeships with local construction firms or contractors for trainees in the roofing, tiling, masonry, and electrical installation courses. The apprenticeships consisted of two weeks of training where the firm paid for a portion or all of the trainees' stipends. Though the Construction Skills instructors expressed that six weeks was too short to provide a solid foundation in a construction skill, they did feel that the trainees received the minimum training to gain employment.

Of the 497 trained, 67% were women—exceeding the target of 50% set during the design of the program. The Grenada National Organisation of Women (GNOW) received two grants to: (1) generate interest among women to enroll in training courses in historically male-dominated fields, particularly construction; (2) provide complementary Life Skills, Leadership Skills, and Gender Awareness training to participants in GBAR-funded training courses in historically male-dominated industries; and (3) provide gender awareness training to employers. GBAR shared GNOW's aim to create a climate of gender equality for women to be accepted and given equitable treatment in fields that are non-traditional for women.



Construction Skills Trainees

The percentage of women trained in constructions skills confirms GNOW's overwhelming success in attracting women to new fields. Furthermore, the findings from telephone surveys, focus group discussions and interviews conducted by GNOW suggest that women are willing to become construction workers and construction firms are increasingly willing to consider employing women as construction workers.

Nonetheless, GNOW found that women face greater difficulties than men in securing and maintaining construction work. GNOW aims to continue its work to change the unwelcoming attitudes of many male construction workers towards female workers and to diminish any continuing bias on behalf of construction companies. Since the attendance of men in GNOW's courses was less consistent than the attendance of women, in future project design, attendance in the Gender Awareness courses should be made a requisite for all trainees enrolled in vocational skills training courses.

#### **6.3.1 Collaboration with PADCO**

The Advanced Roofing course in the NEWLO construction grant was executed in collaboration with USAID/PADCO. Each of the fourteen trainees who registered for this course had already completed a six-week roofing course at NEWLO. The advanced roofing course gave them the opportunity to repair or rebuild three community houses, with building material provided by USAID/PADCO. On completion of the community houses the trainees were given building material to repair or rebuild their own hurricane-damaged houses. A total of twenty-three houses were repaired or rebuilt through this collaborative effort.





Trainees in a Carpentry course working on a hurricane-resistant chicken coop

Another successful activity sponsored and planned in cooperation with USAID/PADCO as well as the US Peace Corps and the Ministry of Education and Labor was a Job Fair for graduates of the Construction Skills Trainings. Eleven construction contractors and two hundred trainees participated in the Job Fair. Contractors conducted on-site interviews resulting in employment for some trainees.

### **6.3.2 Results to Date of Construction Training**

In December 2005, upon completion of all training courses, the Skills Training team conducted a telephone survey of 32% of the persons who received Construction Skills training. The sample set of respondents was weighted to reflect the same proportion of trainees by type of construction field and gender as in the complete set of trainees; therefore we assume that the findings are representative of the total Construction Skills trainees. In the results highlighted below, the percentages derived from the survey are applied to the total 509 Construction Skills trainees.

- 62% of trainees have found employment since completing their training. This percentage is equivalent to 316 of the total trained exceeding the program target of 250.
- 59% of the employed trainees are females, exceeding the program target of 35%.
- Of the employed trainees, 54% work in a construction-related field. The remainder works in other fields.
- 46% of the trainees who work in construction are females. Women have been successful at securing positions in traditionally male dominated fields. Throughout the survey, many of the women commented that the training increased their self-confidence.
- The majority of the trainees who are not employed or who are employed in fields outside of construction report that they use their skills at home and some noted that they were able to complete repairs to their homes themselves.

- Trainees who found employment after the training experienced an average increase in their wages:

**Table 9: Impact of Skills Training on Monthly Income**

	Trainees Employed in Construction	Trainees Employed in Other Work
Average Monthly Income pre-Ivan	\$258	\$258
Average Monthly Income post-training	\$416	\$375
<b>Average Increase in Monthly Income as a Result of the Training</b>	<b>\$158</b>	<b>\$117</b>

- An average rise in monthly income of \$158 for 33.5% of the trainees (representing trainees employed in construction) equals approximately \$27,000 of additional income earned by Grenadian workers on a monthly basis as a direct result of the training. Applying an income multiplier of 1.3, the increase in wages results in \$35,000 of increased monthly economic activity as a result of the Construction Skills training program.<sup>10</sup>

#### 6.4 OTHER SKILLS TRAINING

A target to train 300 persons in Other Skill areas was set prior to the commencement of the programs. GBAR exceeded that target by 66%, training 499 persons, 79% of whom were women. The increase was due to the high demand for other types of training in the post-Hurricane Ivan and later post-Hurricane Emily environments.

For this category of training, the courses offered were particularly chosen for one of the following reasons:

1. To equip persons with a skill that enhances their capabilities and makes them stronger job candidates.
2. To train persons in a skill that can prepare them for self-employment in fields unrelated to tourism or construction.

As such, the courses emphasized practical training. In relevant cases the courses also focused on entrepreneurship and included guest speakers such as officers from the Small Enterprise Unit of the Grenada Development Bank. GBAR staff emphasized linkages with the USAID-funded Business Resource Center and encouraged trainees to make the most of in the Center's services.

Training was offered in the following skill areas: Business Management and Community Leadership, Cake Making and Decorating and Pastry Making, Computer Literacy, Safety at Sea, Introduction to Media, Chain Saw Operation and Tree Pruning, Braille Reading and Customer Service. To deliver the training, GBAR partnered with Carriacou Regatta Committee, Church of God (7th Day), Grenada Co-operative Nutmeg Association (GCNA), Grenada National Coalition

<sup>10</sup> The rise in income directly attributable to GBAR is actually greater than the amount reported here since some of the trainees who found employment in other fields also credit the training for providing them with the confidence to return to the job market after the hurricane.

on the Rights of the Child, GRENCASE, GRENCODA, GRENSAVE/Program for Adolescent Mothers (PAM), and Paradise Seventh Day Adventists' Church Women's Ministry (Paradise SDA).

One of the programs whose purpose was to prepare trainees for self-employment was the cake and pastry making and decorating program offered through the Church of God Seventh Day. Through the training grant, the organization was able to purchase the tools and equipment necessary to start up a small business among the course participants. It was the intention of the 15 women who participated in the program, to go on to do advanced training with the same tutor to further improve their skills. By December 2005, the women had already begun to share their newly learned skills to other members of their church community.



Mrs. Ann Williams, a participant from the Cake Making & Decorating and Pastry Making Program presents a USAID/CARANA Corporation- GBAR Representative with a cake.

In order to increase the hiring potential of unemployed or underemployed persons several organizations including GRENCODA, GRENSAVE/PAM and GRENCASE developed computer literacy programs that were offered in locations across the island. The GRENCODA courses specifically targeted people from rural communities who most lack access to information technology. The provision of computer skills is especially important in the Grenadian context because schools only began including computers in their curriculum from the late 1990s onward, so there are several generations in the workforce without exposure and much less proper training in computers. Their new skills will surely make them more attractive candidates for countless jobs.

The fishing sector also benefited from training in the Other Skills area, specifically “Safety at Sea” training offered in partnership with GRENCODA. Most of Grenada’s fisherfolk do not have formal training in their craft. Although adept at catching fish, the fisherfolk greatly benefited from the course, which improved their knowledge of proper navigation and equipped them with basic survival techniques. Any positive spillover effects from their improved abilities will spread to the communities in the outer parishes of St. John, St. Patrick and St. Andrew, where most fisherfolk reside.

Several of the courses offered provided skills that both enhanced hiring potential and created an opportunity for self-employment. Such was the training in Chainsaw Operation and Tree Pruning delivered by the Grenada Co-operative Nutmeg Association. The GCNA designed a two-stage program to make the best use of the chain saws purchased with USAID funding. In the first stage, GCNA extension officers trained 12 farmers in the proper technique and operation of the chain saws and in the second stage these farmers trained 72 inexperienced men. The trainees became nutmeg pruning operators who the GCNA then employed to clear the land and prune the trees of farmers in the high altitude nutmeg growing areas whose fields were wrecked by the hurricane.<sup>11</sup>

#### **6.4.1 Results to Date of Other Skills Training**

The people trained in skills that enable them to become self-employed report that they have been able to engage in their new craft immediately. Conversely, the continued high unemployment throughout the island limits the possibilities of securing employment for those people who received training in areas such as computer skills. Focus group meetings with trainees in Other Skills highlight the following:

- Trainees who received training to be self-employed either became fully engaged in the activity after the training or were using it as a supplementary source of income.
- With the exception of the chain saw operation course, the courses lasted six weeks, which most trainees found too short to enable them to master their new skill.
- As with all trainees in other skills categories, the trainees interviewed agreed that if given a second opportunity they would enroll in further training.

### **6.5 LESSONS LEARNED**

For a number of the training programs, it was the general consensus of the program participants that training should have been extended over a longer period. Several persons were very satisfied with the training and were even willing to forgo receiving a stipend because they considered the training to be more important. Trainees have also stated the difference having training in Life Skills has had on their lives and the way they see the job market. They have a greater confidence, as they feel more equipped to enter or re-enter the job market. Several individuals who received training and were made aware of the services offered through the Business Resource Center (BRC) and the Grenada Development Bank Small Enterprise Development Unit (SEDU) have already contact them for assistance with developing business plans to obtain financing to open their small businesses.

---

<sup>11</sup> The section on the Agriculture and Fisheries Component discusses the impact of this initiative.

Some programs experienced a delay in the ordering and delivery of raw materials and equipment from the time the grant was approved to the time training began. The delays were often due to organizations scheduling training without providing all the documentation necessary for approval. Also, on occasion, the approval process took longer than anticipated.

## **7.0 CONCLUSION**

The assistance provided to Grenada by the international community was instrumental in kick-starting the reconstruction process. Specifically, the assistance provided by USAID through the GBAR program proved to be pivotal in increasing the ability of individuals and businesses to stem short-term economic losses and catalyze their recovery.

GBAR's success holds lessons learned in project design and flexibility, organizational structure and operational systems. As documented throughout this report, open communication and partnerships with local organizations greatly facilitated delivery of goods and training. In addition, the expediency of the grants management system—both the human resource and technology components—resulted in timely procurements and grant disbursements, only hindered by post-Hurricane capacity constraints. Lastly, the data collection and impact analyses systems informed decisions and allowed for interim adjustments to program strategy, which kept the program on track to exceeding targets.

This final assessment offers an opportunity for USAID, other donors and the government of Grenada to review project activities and projected outcomes to determine other policy and programmatic interventions—to build upon progress made to date and for future strategic planning exercises.